

Algeria	5,500 Dz.	Israel	15,250	Norway	5,500 Dz.
Austria	17,500 Dz.	Iraq	1000 Dz.	Oman	1,000 Dz.
Belgium	4,650 Dz.	Jordan	450 Dz.	Portugal	45 Dz.
Canada	33,875	Kuwait	1,650 Dz.	Qatar	4,250 Dz.
Denmark	10,100	Lebanon	500 Dz.	Saudi Arabia	4,000 Dz.
Egypt	40,400	Liberia	12,425	Singapore	900 Dz.
Finland	10,000 Dz.	Malta	1,200 Dz.	Spain	5,500 Dz.
Germany	200,000 Dz.	Morocco	35 Dz.	Turkey	1,150,000 Dz.
Great Britain	357	Yemen	1,000 Dz.	Tunisia	0,000 Dz.
Grancanaria	45 Dz.	Zambia	2,000 Dz.	U.S.A.	4,500,000 Dz.
Ireland	125 Dz.	Zimbabwe	1,000 Dz.	Venezuela	30,000 Dz.

ESTABLISHED 1887

Kremlin May Build Pipe Units

More Considered Reply to Reagan

By Dusko Doder
Washington Post Service

MOSCOW — In what appears to be a response to President Reagan's escalating trade war, the Soviet Union is reported by Western businessmen here to have decided to produce its own large compressor stations for five domestic pipelines due to be built this decade.

A West European businessman with experience in Soviet pipeline equipment imports said he was advised that the Soviet government would build the large 25-megawatt turbines for such stations at the LMDZ plant in Leningrad.

This means, he said, that expected Soviet contracts for the construction of 130 compressor stations for five trunk pipelines would not materialize. He estimated that companies in West Germany, France, Italy and Britain would lose more than \$10 billion worth of business if, indeed, the Soviet Union has the capacity to build the stations.

It was not possible to ascertain whether the Russians are actually developing the turbine, or whether the reported development is an effort to pressure Western European governments to seek a reversal of Mr. Reagan's embargo. It is not even known whether the reported go-it-alone approach represents a basic strategic decision.

Mr. Reagan's decision enlarged the ban on sale of U.S. oil and gas equipment to Moscow to cover European subsidiaries of American companies as well as firms producing such equipment under license.

The reported Soviet decision to produce new large turbines does not affect the contracts signed by Western European firms participating in the construction of the 3,500-mile (5,600-kilometer) pipeline scheduled to carry Siberian natural gas to Western Europe starting in 1984. The Soviet Union, which is to make roughly \$8 billion annually from natural gas sales to Western Europe, is insisting that the firms meet their obligation.

The Soviet Union intends to construct five other trunk pipelines running parallel with the export line. These would link the largest Soviet natural gas field at Urengoi with western sections of European Russia. One of these is destined to carry natural gas to Eastern Europe.

According to Western European

(Continued on Page 2, Col. 7)



Gaston Thorn, left, president of the European Economic Community Commission, and British Prime Minister Margaret Thatcher, right, offered their help as West German Chancellor Helmut Schmidt climbed the steps of the Egmont Palace in Brussels after posing for photographers Tuesday. Also attending the regularly scheduled EEC summit meeting were Irish Premier Charles J. Haughey, upper left, and Francois X. Ortoli, the commission's finance commissioner.

Israel Asserts PLO Is Stalling in Talks

This story was subject to Israeli military censorship.

By Edward Cody
Washington Post Service

JERUSALEM — A high Israeli official charged Tuesday that the Palestinian guerrilla leadership in Beirut is negotiating in bad faith and stalling for time in hope of avoiding an Israeli assault on West Beirut without surrendering and leaving Lebanon.

"This being so, we view with great gravity the situation," added the official, who briefed correspondents.

His remarks seemed intended to increase pressure on U.S. and Lebanese negotiators who are dealing with Palestine Liberation Organization leaders in the encircled Lebanese capital.

The sources, who requested anonymity, said that the government of King Faisal offered to avert a military showdown in the Lebanese capital. The Associated Press reported from Beirut, quoting Western diplomatic sources.

The rightist Voice of Lebanon radio station said that the Saudi offer was under consideration by the Lebanese government and the Palestine Liberation Organization leadership, but there was no direct

comment on the report from either side, the AP reported.

With this in mind, Defense Minister Ariel Sharon told the Knesset, the Israeli Parliament, on Tuesday evening that the guerrillas must "examine their consciences" over the Israeli demands, adding: "The government has given them a time limit to get out of their trap in Beirut."

"Playing for Time"

"We are under the impression that the PLO in talks with the Lebanese government and Ambassador Habib, that these talks are not going well, that the PLO is playing for time, that the PLO is trying to make the world believe they are ready to leave and so on, that they are playing for time," he said.

"Therefore, we hope the United States and Lebanon understand that additional pressure will have to be brought to bear on the PLO."

The informant, a high-ranking official with access to details of the negotiations, declined to say how

the Israeli government could judge the "atmosphere" of the talks even though its representatives are not participating. In principle, Israel is informed of PLO positions only through messages from Mr. Habib relayed through Washington by the Israeli Embassy there and the U.S. Embassy in Tel Aviv.

Under questioning, he indicated that Israeli officials are in touch with some Lebanese personalities.

Although these were not specified, Israeli and Christian Phalangist militia leaders have had close relations in the past.

Mr. Sharon met last week near Beirut with the Phalangist military leader and Lebanese presidential candidate, Bashir Gemayel.

As an example of bad-faith

negotiating, the official cited a PLO proposal that one of its units remain armed and attached to the Lebanese army. This idea — a "nonstarter" in his words — was rejected by the Lebanese government even before Israel passed on it, the official said.

Other suggestions reportedly

(Continued on Page 2, Col. 6)



The chief U.S. negotiator, Edward L. Rowny, left, greeted Soviet Ambassador Viktor P. Karpov in Geneva on Tuesday at the opening of the Strategic Arms Reduction Talks, known as START.

START Gets Under Way in Geneva

Reagan Sends Letter Urging Reduction in Weapons

By Michael Getler
Washington Post Service

GENEVA — The United States and the Soviet Union opened talks here Tuesday on reducing their long-range nuclear missile and bomber forces, negotiations that President Reagan called "one of the most important tasks of our

time."

The president's assessment was made in a letter to Edward L. Rowny, the chief U.S. delegate to the Strategic Arms Reduction Talks, or START. Mr. Rowny, in turn, read portions of the letter to his Soviet counterpart, Ambassador Viktor P. Karpov, during their first hour-long meeting Tuesday at Villa Rotunda, the Soviet mission in the hills overlooking Lake Geneva.

Mr. Reagan said that despite more than a decade of previous arms talks, "nuclear weapons continue to accumulate, and the strategic relationship between the Soviet Union and the United States has steadily become less stable."

Grain sales to the Soviet Union have also become a sensitive international issue. The United States is accused of demanding "unequal sacrifices" of its allies by opposing such things as the Soviet natural gas pipeline deal and sales of sophisticated industrial equipment to Moscow, which largely benefits European states and Japan, while

(Continued on Page 2, Col. 8)

U.S. forces over the past 15 years. But he said that "an historic opportunity now exists" for both countries to break this process and thus "greatly reduce the nuclear anxiety" that has become such a conspicuous feature of public concern throughout the world."

For example, Mr. Karpov said Moscow favors substantial reductions in strategic arms, but also wants "at the same time" to set effective limits on the qualitative improvements of nuclear weapons. This means the Soviet Union is certain to demand a half or severer reduction on the deployment on new U.S. weapons, such as the MX, Trident-2 and Cruise missiles and new bombers.

Although Mr. Rowny, at a brief press conference after the meeting, declined to describe Mr. Karpov's reaction to the letter, the Soviet ambassador also made a generally positive statement about the ultimate need for a new arms agreement when he arrived in Geneva on Sunday.

Nevertheless, the two sides enter the negotiations very far apart on how to reduce these arsenals and how to achieve what the U.S. side

calls "equality" in atomic striking power and the Russians call "equal security."

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For this round of talks the United States has proposed a one-third reduction in the number of nuclear missile warheads by both superpowers — from about 7,500 to 5,000 warheads apiece.

In a separate round of U.S.-Soviet talks Tuesday, negotiators met for more than three hours in the seven-month-old discussions on intermediate-range nuclear forces in Europe. No details were disclosed, except that the negotiators would meet again Thursday.

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EEC Leaders Ask Israel, PLO To Abandon Beirut Positions

By Axel Krause
International Herald Tribune

BRUSSELS — European Economic Community leaders ended a two-day summit meeting here Tuesday by calling for an immediate and simultaneous withdrawal of Israeli and Palestinian forces from their present positions in and around Beirut, while urging that the present cease-fire in Lebanon "must at all costs be preserved."

In their final communiqué, which also dealt with controversial transatlantic trade issues, the Iran-Iraq conflict and the expansion of investments in Europe, EEC leaders said that "the establishment of a final peace in Lebanon requires the complete and prompt withdrawal of Israeli forces from that country as well as the departure of all foreign forces except those which may be authorized by a legitimate and broadly representative government of Lebanon."

The communiqué's language regarding U.S.-EEC relations, while critical of the administration, was considerably toned down from earlier versions, summit participants said, largely at the urging of Prime Minister Margaret Thatcher of Britain in the interests of what Mr. Pym described as "the strongest possible alliance."

Commenting on the overall results of the meeting, President François Mitterrand of France said he was satisfied with the communiqué and that it "corresponds to our preoccupations" and what he termed France's hope for "a return to equilibrium" in the area.

Mr. Mitterrand dismissed reports that there had been deep differences in the summit participants' approaches to the Lebanon conflict, describing the talks as

long, but not that difficult, basically."

At an earlier news conference Tuesday, Britain's foreign minister, Francis Pym, described the summit meeting as "useful and important."

The EEC leaders, who had long and often intense discussions on the subject, repeated their vigorous condemnation of the Israeli invasion and agreed that the Palestinians "should have the opportunity to exercise their right to self-determination with all that this implies."

The communiqué added that the position of the 10-nation community "remains that the Palestine Liberation Organization should be associated with the negotiations."

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Mr. Mitterrand dismissed reports that there had been deep differences in the summit participants' approaches to the Lebanon conflict, describing the talks as

tions on EEC steel imports and Washington's criticism of the community's Common Agricultural Policy.

Although references to the pipeline decision were kept vague, EEC leaders warned with regard to the latest U.S. bans on supplying parts for the pipeline that "the maintenance of the open world trade system will be seriously jeopardized by unilateral and retroactive decisions on international trade, attempts to exercise extraterritorial legal powers and measures which prevent the fulfillment of existing trade contracts."

Officials at the summit said they were unable to confirm or deny recent reports that the Reagan administration was hinting that the pipeline ban could be reversed if allied governments raised the price of their export credits to the Soviet Union.

The communiqué urged that "a genuine and effective dialogue take place" between U.S. and EEC leaders "responsible for decisions in the areas of possible dispute."

Summit participants said that new talks would be organized in several weeks.

Mr. Mitterrand said this dia-

(Continued on Page 2, Col. 5)



Traffic out of West Beirut was snarled at a checkpoint set up by Lebanese Phalangists.

In a Shattered 'Capital,' Palestinians Remain

By Jonathan C. Randal
Washington Post Service

BEIRUT — The only noise came from the chickens pecking through the dirt and from a faraway, high-flying aircraft.

The chickens once would have been only a minor woodwind passage in the cacophony of bustling, shouting crowds that inhabited Chatila and its sister cinder-block shantytown, Sabra.

Chatila and Sabra are the closest thing to a capital that the landless Palestinians have, in 1982, when the Palestinians arrived, in Lebanon were only too happy to rent what were sandy wastelands far outside Beirut.

Huddled in Lobbies

The aircraft was Israeli and on a reconnaissance mission. But other Israeli planes earlier had bombed these camps, and Israeli artillery and gunboats, normally ever-so-accurate, had shelled a nearby hospital and a mental hospital.

Most of the residents have fled, although some return for a few hours a day from their supposedly safer havens farther north in West Beirut, where they huddle in the marble lobbies of once-elegant apartment houses.

The fighters remain. They are mostly young men, even boys, some still innocent of a razor.

But without the camps, without their sustained effort to keep alive the still-cherished if increasingly dim memory of the orange grove in Jaffa, now long since paved over, Yasser Arafat and his Palestine Liberation Organization would be nothing.

They are no longer in any real way representative of the 4 million Palestinians spread out in diaspora across the Arab world and many Western countries.

Most Palestinians have prospered, studied hard and worked harder, often leaving these camps, dusty in summer, muddy in winter, to become computer specialists, engineers and bankers.

Dim Memory

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Salvadoran Audit Finds Possible Corruption in Land Reform Program

By Raymond Bonner
New York Times Service

SAN SALVADOR — The Salvadoran agency administering the land redistribution program is so poorly run as to raise questions of impropriety and corruption, according to a Salvadoran government audit. The audit also concluded that it was not yet possible to determine how the agency has spent funds provided by the United States.

The audit said that the accounting and financial departments of the agency, the Institute for Agrarian Transformation, "were incompetent to implement accounting systems and technical controls." It noted that, "as a result of the lack of basic criteria, the audit of the funds initially given by the Agency for International Development has not been finished."

The audit was conducted by the Court of Accounts, an independent agency. The audit of the Institute for Agrarian Transformation (ISTA) covered the 17-month period after the government's intro-

duction of the land program in March 1980.

The audit of the AID funds has still not been completed, according to a former member of the Court of Accounts.

A U.S.-educated economist who has studied the court's audit said, "Given the quantity of money AID provides, any future allocation should be stopped until completion of the audit."

AID has given about \$52 million in grants and loans for El Salvador's land redistribution effort, according to a U.S. Embassy spokesman.

AID officials in El Salvador declined to be interviewed, but the embassy spokeswoman said that there were "all kinds of safeguards and accountability." She added that she had been told by an AID officer that the "controls are about as strict as we can possibly impose."

The auditors found in a category that ISTA labeled as social costs "doubtful investments, exaggerated expenses, others improper, some laughable, and others not legally admissible from an accounting point of view."

About a third of the agency's social costs, or some \$200,000, went for "security," according to the audit.

Leaders of farm cooperatives and ISTA administrators have charged that many cooperatives are forced to pay tribute to local military commanders. The money, they have said, is used to supplement soldiers' salaries and for vehicle maintenance, and nearly all has been paid by cooperatives in areas where there is no serious guerrilla threat.

The auditors also found that some of ISTA's investments and expenditures had benefited private farms, not peasant cooperatives.

A former deputy director of ISTA, Leonel Gómez, said in a telephone interview from Washington, where he now lives, that in March, 1980, the "first thing was told AID, the first thing, was that we wanted to computerize and centralize the accounting system."

"We told them," he added, "we would not be able to account for the millions of dollars" that they were giving for the agrarian program. He characterized the accounting system as "a mirage."

In January, 1981, ISTA's president, José Rodolfo Viera, was assassinated in San Salvador, along with two American advisers to the land redistribution program, Michael Hammer and David Pearlman.

Mr. Gómez, who was Mr. Viera's deputy, repeated in the recent interview his belief that one reason that Mr. Viera had been killed was that he had been intending to expose mismanagement and corruption within ISTA.



CAPTURED ISRAELI — With Palestine Liberation Organization guards flanking him, Aharon Achiaz, an Israeli pilot who was shot down over Lebanon on June 6, waits in his cell in Beirut. The PLO said the prison where the pilot is being held was hit twice by Israeli raids.

Pair of Ministers Resign Positions In French Cabinet

Reuters

PARIS — Industry Minister Pierre Dreyfus and Minister of National Solidarity Nicole Questiaux resigned Tuesday, according to Michel Vauzelle, a presidential spokesman. The resignations were the first from the French Cabinet since the Socialists came to power more than a year ago.

Mr. Dreyfus, 74, had been expected for some time to resign because of ill health. His portfolio will be added to that of Jean-Pierre Chevénement, minister of scientific research and technology.

Mrs. Questiaux, 52, was widely reported to have resisted sharp expenditure cutbacks ordered by President François Mitterrand to reduce a heavy deficit in the social security budget. Pierre Bérégovoy, Mr. Mitterrand's chief of staff, has been appointed minister of social affairs and national solidarity. Mr. Vauzelle said.

Labor Minister Jean Aurox will report to the new minister headed by Mr. Bérégovoy. Jean Le Garrec, secretary of state in charge of nationalizations, assumes a new function as minister in charge of employment. Mr. Vauzelle said.

Political sources said the changes were in response to the government's declaration earlier this month of a four-month wage and price freeze, a devaluation of the franc and the spending limitations.

Egyptian Aide Says Lebanon Crisis Will Radicalize Palestinian Cause

By Eric Pace
New York Times Service

CAIRO — The Palestinian movement will become more radical as a result of the Lebanon crisis, according to a key adviser to President Hosni Mubarak.

The adviser, Osama Baz, also said the extent of this radicalization would depend largely on Washington's attitude.

He criticized Secretary of State Alexander M. Haig Jr., saying U.S. foreign policy had been haphazard and disconnected, and he predicted that the military operations of Palestinians and the Palestinian guerrilla movement in general would become more radical—and so, he said, would political currents across the Arab world.

"If the United States continues to appear as though it is endorsing or at least tolerating the Israeli as-

sault on Lebanon and the Palestinians," he said Monday, speaking in English, "and if the line which had been pursued under Secretary of State Haig continues, then the radicalization of the Palestinian movement is certain to be great."

More Sensitive

It can be minimized, he said. "If the United States becomes more sensitive to the feelings of the Arabs and to the human suffering that has been inflicted upon hundreds of thousands of civilian Lebanese and Palestinians."

As for George P. Shultz, who has been nominated to succeed Mr. Haig, who resigned Friday, Mr. Baz said: "We wish him good luck. We are not asking him to be biased toward the Arabs. We are asking the United States administration to find a way out of this tragic situation."

Depends on What Happens

The extent of the radicalization of the Palestinian movement, Mr. Baz said, "depends on what happens in the coming few days. The irony is, it depends more on the efforts we are exerting through the United States with a view to finding a way out of this tragic situation."

If Washington's policy in the next few days is clumsy, he said, "the radicalization will be maximized and American interests in the region will suffer greatly, not only on the short term, but on the long term."

Asked to elaborate, he said: "It will be extremely difficult for any government in the region to conduct a policy that is friendly toward the United States because the majority of the people of any Arab country, with no exception, have the impression that the Israeli operation had the United States' blessing."

Asked what the radicalization might entail, he said that, in addition to radicalization of guerrilla operations—and he did not elaborate on that point—there would be "radicalization of the Palestinian resistance, whereby more people would be swayed to renounce peaceful methods and would resort to violence as the only means of communicating with Israel."

"On top of that," he suggested, "there would be the radicalization of sociopolitical movements in the Arab region."

"In the region," he went on, "the wind of Islamic revolution is blowing from Iran, and if on the other side you have a growing feeling of despair and disillusionment with the political means of struggle, the temptation would be very great indeed for the youth to fall victim to the right or the left."

"Of course," he continued, "what is going on will not result in the elimination of the PLO" or of the Palestinians.

Thin Slices

The Iraqi withdrawal restored to Iran the border towns of Qazvin, Mahan and Sumer, as well as thin slices of the western Iranian provinces of Kermanshah and Ilam.

It followed a series of successful Iranian offensives and intensive efforts by Baghdad to extract itself from a military stalemate.

Iraq, which is about \$25 billion in debt to neighboring Arab states, has encouraged mediation attempts by the Islamic Conference Organization, the nonaligned movement and the United Nations. None of these efforts has borne fruit.

Despite President Hussein's close association with the war, he and most of his aides appear to have maintained their political positions at home.

They emerged unscathed from purges in the ruling Revolutionary Command Council and the Cabinet of the dominant Ba'ath Party Monday and the day before.

Seven members of each body lost their jobs, but these were mainly little-known figures. President Hussein was unanimously re-elected secretary of the party's regional command.

Iraq Accused of Lies

LONDON (Reuters) — Iran said Tuesday that Iraq had lied in reporting the withdrawal of its troops from Iranian territory.

Hojatoleslam Hashemi Rafsanjani, the speaker of the Majlis, or parliament, and a member of Iran's Supreme Defense Council, told Teheran radio: "They are telling lies. The situation is the same and border areas in the west are still in the hands of Iraqis."

On other questions raised during the summit, EEC leaders also:

• Expressed their "deep concern" at the Iraq-Iran conflict, which they said "seriously threatens the security and stability of the region," and renewed their offer of aid in reaching a negotiated settlement.

• Agreed to refer conditions posed by Greece for continued EEC membership to a meeting of the group's foreign ministers scheduled for July 20. Greek Prime Minister Andreas Papandreou told the summit leaders that Greece could not apply the EEC's value-added tax before 1984.

ECC Urges Withdrawal

(Continued from Page 1)

logue had never been interrupted, but did express annoyance with U.S. government behavior, particularly what he called its "unilateral character."

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Schmidt Vows to Fight Bias Against Americans

(Continued from Page 1)

BONN — Chancellor Helmut Schmidt, in a letter to the U.S. commander in chief in Europe published on Tuesday, pledged his full support for efforts to maintain good relations between American servicemen and West German civilians and promised to fight racial discrimination energetically.

Mr. Schmidt's letter was in response to one sent June 9 by Gen. Frederick J. Kroesen, in which the general wrote, "The facts are that American soldiers usually enjoy warm acceptance in communities in which they serve and from most of the German people, but in recent years the spirit of friendship has been marred by small numbers of public establishments where they are denied access or service."

They said they had no political affiliations. The four are reservists who were called up when the invasion was launched June 6. They were discharged when the army began sending the first wave of reservists home.

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Polish Media Lash Out at Union Anew Solidarity Called 'Lid' Covering Underground

(The Associated Press)

WARSAW — Poland's state-run news media carried sharp new denunciations of Solidarity on Tuesday, saying that a revival of the suspended independent union might camouflage an underground campaign that has emerged under martial law.

The official press had avoided direct negative comment on Solidarity for several weeks, and the union seems to have toned down some of its underground publications as well.

Solidarity, the first independent labor organization in the Soviet bloc, has issued a series of leaflets and underground papers since it was suspended in the martial law declaration of Dec. 13.

The government spokesman, Jerzy Urban, stressing that his remarks reflected his own opinions and not those of the government, said in the weekly publication *Hare and Now* that a revived Solidarity is "being conceived as a lid covering the political underground even before it has come into being."

A renewed Solidarity would serve as an alternative to a civil war since a change of the country's political system is the aim to be achieved by both means," he said.

The Same Theme

The Communist Party daily *Tribuna Ludu* carried the same theme. In a commentary, it said that Solidarity opposed "normalization" or the easing of martial law rigors, and peace and quiet because that would "undercut the roots of their underground existence."

"They will not content themselves with a compromise or accommodation, for struggle is their aim, while a reinstatement of the union movement would merely serve as an opening stage of the struggle with the state," the paper said.

The commentaries appeared amid speculation and rumors of an impending easing of martial law restrictions. But they appear to signal that the authorities are in no hurry to come to terms with the union.

Mr. Urban's comments could reflect the thinking of prominent officials, while the *Tribuna Ludu* commentary might serve as a warning to the leadership against some sort of agreement with Solidarity before the time is right.

The timing of the commentary may also signal that another Communist Party Central Committee meeting is coming soon. Press attacks against Solidarity and its leader, Lech Walesa, tend to intensify just before the party meets.

WORLD BRIEFS

Soviet Space Station Seeks Galaxies

MOSCOW — The Soviet-French crew on board the space station *Salyut-7* carried out biological experiments Tuesday and began an attempt to trace distant galaxies.

The experiments, designed by French and Russian scientists, included monitoring the activity of micro-organisms in weightless conditions and the effect of antibiotics on them, the news agency Tass reported. The hunt for galaxies used special cameras with highly sensitive film that can register the radiation of weak galaxies and intergalactic sources.

The three-man crew blasted off from earth last Tuesday and linked up with *Salyut-7* the following day. The space station has been manned by two cosmonauts for the past two months. French cosmonaut Jean-Loup Chretien is due to return to earth with his two Russian teammates on Sept. 1.

Soviet Faster Told He Can Emigrate

MOSCOW — Iosif Kibitsky, a Soviet artist who staged a 36-day hunger strike for the right to join his wife in West Germany, said Tuesday that he had been told by the authorities that he would be allowed to leave.

Mr. Kibitsky, 36, who is married to a West German schoolteacher, gave up his fast on June 16 after being informed he would not be granted an exit visa despite the protest. He said migration authorities had given him no reason for the change of heart at a meeting Tuesday.

Mr. Kibitsky was one of six persons in the self-styled "divided families" group who began a hunger strike May 10 to press for the right to join spouses in the West. Five of the protesters have since been promised exit papers and one of them has already left. The sixth, a Lithuanian woman named Maria Jurutėnė, ended her fast earlier this month after the secret police sent her back to Lithuania.

Yugoslav Communists End Congress

BELGRADE — Yugoslavia's ruling Communist Party wound up its four-day congress Tuesday by urging a new collective leadership to strictly implement Tito's legacy of nonalignment and workers' self-management.

The 12th congress, the first since Tito's death in 1980, dissolved party bodies and approved the new leadership that was elected earlier this year by congresses of Yugoslavia's six constituent republics and two autonomous provinces. Much of the focus of the congress was on the economy and issues of extreme nationalism.

At its closing session, which was broadcast live over radio and television, the congress adopted resolutions on future development of the party and the country in the next four years. Resolutions were passed reaffirming the country's unique brand of self-managing Socialism at home and the policy of nonalignment in international relations.

EEC Review May Slow Spanish Entry

BRUSSELS — Spanish and Portuguese hopes of early entry into the European Economic Community suffered a setback Tuesday when leaders of the 10 member governments adopted a delaying measure initiated by France.

The 10 decided during their two-day summit to order the executive commission to examine all the consequences of Spanish and Portuguese entry. Spain and Portugal hoped to join at the start of 1984. Diplomats said the move was certain to delay Spanish entry.

The diplomats said French President François Mitterrand's insistence on a thorough review of enlargement at a late stage in negotiations was broadly supported by all members except Britain, the Netherlands and Belgium. France argued that the rapid entry of Spain, and to a lesser extent of Portugal, would create stiff

Perceived Interference Played a Major Role in Haig's Decision to Quit

By Bernard Gwertzman
New York Times Service

WASHINGTON — Secretary of State Alexander M. Haig Jr.'s disagreements with Defense Secretary Caspar W. Weinberger and Vice President Bush over how much to criticize Israel for its actions in Lebanon do not seem to have played as big a role in his resignation as his concern that others were interfering in his ability to manage foreign affairs.

White House officials contend that Mr. Haig never was challenged as the prime policy-maker during the crisis in Lebanon, but that he was repeatedly upset by what he regarded as personal slights or infringements of his power.

State Department aides assert Mr. Haig had some grounds for being unhappy with the way Middle East policy was being conducted, and Mr. Haig himself has refused to discuss the reasons for his resignation.

Departure Expected Thursday

Mr. Haig is still conducting policy as secretary of state even though George P. Shultz has been designated as his successor. But White House officials said they believed Mr. Haig would formally give up the office Thursday, turning the department over to Deputy Secretary Walter J. Stoeszel Jr. until Mr. Shultz's nomination is confirmed by the Senate. That is not expected before late next month.

Mr. Weinberger and Mr. Bush are known to believe that the United States should take a more critical

Kirkpatrick Sees Better Zaire Ties

The Associated Press
KINSHASA, Zaire — Jeanne J. Kirkpatrick, the chief U.S. delegate to the United Nations, reaffirmed Tuesday U.S. determination to develop friendly relations with Zaire despite occasional disagreements.

Mrs. Kirkpatrick, who met Monday with Zaire President Mobutu Sese Soko, said, "What unites us is very important and must be preserved. The future looks encouraging."

Relations between the two countries are strained by a dispute over development and military aid, which Mr. Mobutu has renounced after criticism in Congress of his human rights policies and a recommendation by the House Foreign Affairs Committee that aid to Zaire be reduced this year from the \$39.5 million proposed by the Reagan administration to \$35 million.



Alexander M. Haig Jr.

cal position on Israeli actions in Lebanon than Mr. Haig has recommended. But in discussing Mr. Haig's unhappiness with White House officials, some of his aides pointed to his concern that signals were being sent to the Arab world from the White House that were different from those from the State Department.

Specifically, they said Mr. Haig was initially upset last week when he learned from Philip C. Habib, the special Middle East envoy, that the Saudi Arabians were meeting in Beirut that William P. Clark, the national security adviser, had assured the Saudi ambassador in Washington, Faizel Alhegelan, that the United States had obtained Israel's agreement to withdraw its forces about three miles from Beirut.

This troubled Mr. Haig because he was telling the Saudi Arabians at the same time that the United States could not guarantee Israel would not invade West Beirut and that the only way to prevent an attack was to end the Palestine Liberation Organization's military presence in the Lebanese capital if Mr. Clark had indeed told Mr. Alhegelan the Israelis would pull back, this would serve to encourage the PLO to resist the pressure being put upon it.

Interviews with White House and State Department officials have now produced a version of events that does not substantiate the two-channel theory.

On Friday, June 18, Mrs. Alhegelan, the wife of the Saudi envoy, paid a call on Mr. Reagan's wife, Nancy, to bring a letter signed by the wives of six Arab ambassadors in Washington calling for an end to the bloodshed in Lebanon. Mrs. Reagan asked Mr. Clark to attend the brief meeting, and he notified the State Department, which offered no objections.

Mr. Clark has contended that as a rule he does not meet with foreign ambassadors so as not to undercut the State Department. But after Mrs. Alhegelan left, her husband telephoned and asked if he could see Mr. Clark on Saturday morning. White House officials said Robert C. McFarlane, Mr. Clark's deputy, checked with Nicholas A. Velotes Jr., assistant secretary of state for Near Eastern and South Asian affairs, who said he had no problem with the meeting.

Mr. Alhegelan expressed concern about the pending visit of Prime Minister Menachem Begin of Israel to Washington that Monday to see President Reagan, and Mr. Clark, according to the White House, expressed hope Mr. Begin's visit would lead to a settlement in Lebanon. They also discussed

Expecting Guilty Verdict, Hinckley Wrote Speech on 'Love'

By Laura A. Kiernan
Washington Post Service

WASHINGTON — John W. Hinckley Jr. says he was shocked last week when a jury found him not guilty by reason of insanity in the shooting of President Reagan, and had prepared a four-page speech to read in court on the day he thought he would be sentenced.

"I thought for sure I would be convicted because of the pressure the jury would be under to return a guilty verdict," Mr. Hinckley said during three telephone interviews from St. Elizabeths Hospital for the mentally ill, where he is now confined.

He said during the conversations Saturday and Sunday that he believed he was insane when he fired on Mr. Reagan and three others, that he takes the blame for the shooting and that he now feels "relatively sorry" for presidential press secretary James S. Brady, who was wounded in the head and permanently injured.

If doctors at St. Elizabeths decide that he is well, Mr. Hinckley said, he wants to leave the hospital. But that decision is up to U.S. District Court Judge Barrington D. Parker, who presided at Mr. Hinckley's trial.

The 27-year-old presidential assailant said he had seen news reports about the public outcry over the jury's verdict, but he emphatically denied that he "beat the rap," as one newspaper headline had said.

"I'm not walking out on the street. I'm in a hospital with bars on it.... They act like I'm out free.... It's not that way at all," Mr. Hinckley said.

Mr. Hinckley, polite and casual during the three conversations, said he was pleased with his quarters at St. Elizabeths, in Southeast Washington. As soon as he arrived at the hospital last Tuesday, Mr. Hinckley said, people began asking for his autograph.

Mr. Hinckley's comments marked the first time he has talked with a news reporter since his arrest immediately after the shooting on March 30, 1981. Mr. Hinckley did not testify at his eight week trial, which ended with the jury's verdict on June 21. He said Sunday, "I kind of did want to testify," but he said, his attorneys felt otherwise.

A man identifying himself as Mr. Hinckley first called The Washington Post on Saturday afternoon and asked to speak to this reporter, who was not in at the time but was asked to call again that evening. The interviews took place during that call and two others.

Calls Not Authorized

The caller was able to answer specific questions about Mr. Hinckley's family, his personal life and his confinement at St. Elizabeths that were asked to verify his identity.

Mr. Hinckley's chief defense lawyer, Vincent J. Fuller, said

Monday that the telephone calls were made without the knowledge of Mr. Hinckley's attorneys.

Wayne Pines, a spokesman for the National Institute of Mental Health, which runs St. Elizabeths, said Monday that Mr. Hinckley's calls to the reporter were not authorized by the hospital and that his use of the phone is now being strictly supervised. Mr. Hinckley's telephone calls were supposed to be limited to his family and his lawyers, Mr. Pines said.

Mr. Hinckley said that he is now waiting to see what the doctors at St. Elizabeths Hospital for the mentally ill, where he is now confined.

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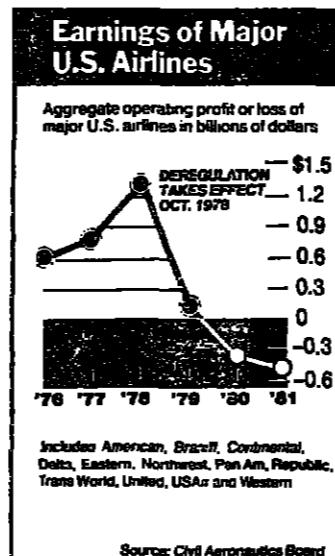
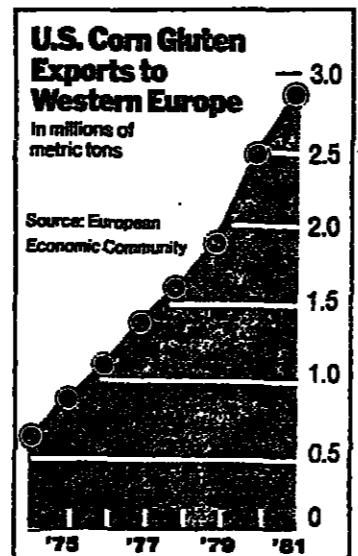
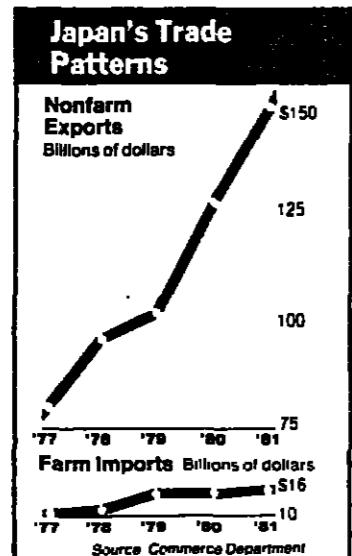
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San Francisco Enacts Pistol Ban

Police, Store Owners Among Those to Be Exempted

By Judith Cummings
New York Times Service

SAN FRANCISCO — The Board of Supervisors has passed a law banning most residents from owning pistols, making this the first large city in the United States to do so. The vote was 6-4.

The ordinance makes ownership of a pistol a misdemeanor punishable by up to 30 days in jail and a \$300 fine. Rifles and shotguns are not included in the prohibition, and exemptions are provided for the police, military and security personnel, gun collectors, private investigators, licensed target shooters and private state owners who obtain permission from the police.

The law will take effect 30 days after it is signed by the Mayor Diane Feinstein. Pistol owners then have 90 days to dispose of their weapons.

The ban was proposed in February by Mrs. Feinstein, who assumed office after the handgun killings of Mayor George Moscone and Supervisor Harvey Milk by a former supervisor, Dan White, in 1978. The killings, which took place in City Hall, are widely credited with helping bring about a strong gun control movement.

The concept of a citywide ban received its first test in the nation last February in Morton Grove, Ill., a suburb of Chicago. Officials there reported that only a few guns had been turned in.

There would be no attempt to track down weapons or collect them from people's homes.

Mr. Stone asserted that experience had shown that residents would not relinquish their pistols, and he assailed the ordinance as a law that "will make criminals out of thousands of law-abiding citizens."

City officials say that because California law does not require registration of guns sold second-hand, there is no reliable estimate of the number of pistols in the city of 679,000 people.

In lobbying the supervisors for passage recent figures that show gun-related crimes on the rise, particularly domestic violence or "gun firings in the heat of violence," were cited.

Lobbying here by the NRA and similar pro-gun organizations was limited. Mr. Stone said the association's major effort consisted of two public mailings. Supervisors on both sides of the issue said they received about equal amounts of mail and telephone calls from the ban's opponents and supporters.

The city council of Berkeley, across the bay from San Francisco, voted 8-1 on June 21 in favor of a ban on pistols. The same day, Oroville, a city of 9,000 north of San Francisco, did the opposite, ordering the city attorney to draft an ordinance that would require a pistol to be kept in every household.



United Press International
A gantry-mounted camera produced a view of the space shuttle being lifted by rocket engines from the launch pad.

Train Drivers To Call Strike In the U.K.

Compiled by Our Staff From Dispatches

LONDON — A train drivers' union said Tuesday that it would strike Britain's railroads next week. The union made its announcement a few hours after the National Union of Railways agreed to suspend its walkout.

The Associated Society of Locomotive Engineers and Firemen said that it would strike beginning midnight Sunday over British Rail's introduction of a new flexible rostering system. This was a chief cause of a rail strike last January.

Also Tuesday, National Union of Railways representatives called off a strike that had halted most London subway trains since June 21 and brought traffic chaos to the British capital.

Delegates at the union's annual conference in Plymouth voted unanimously for their 12,000 subway drivers and guards to return to work at midnight.

That action came a day after the union suspended a separate strike that crippled the state-run British Rail network. The suspension, which was voted on the first day of the strike, was effective at midnight Tuesday.

To Arbitration

The issue that caused the subway strike, a plan by financially pressed London Transport to cut the number of subway trains and introduce new timetables and work rosters, will go to arbitration.

On Monday, the union instructed its 177,500 members on the national railroad to return to work Wednesday, again pending arbitration of a pay and productivity dispute. But much of the rail network was back on the tracks Tuesday, as three-quarters of the workers returned to work ahead of the official midnight end of their strike.

The board of British Rail, which runs the 11,500-mile network, said that about 25 percent to 30 percent of its workers had defied the strike call Monday and reported for work at midnight.

As a result, it managed to run about 500 trains Monday out of the usual daily national total of 15,000, the board said. It said that it hoped to increase the number Tuesday as more employees returned to work.

But many commuting drivers decided on an early start for work Tuesday, not convinced that traffic would be any lighter. The subway strike had been aggravated by scattered sympathy strikes by bus drivers.

The board of British Rail, which runs the 11,500-mile network, said that about 25 percent to 30 percent of its workers had defied the strike call Monday and reported for work at midnight.

They used the boom to lift the 800-pound (360-kilogram) gas and particle detector out of the bay to start the last series of contamination surveys around Columbia to look for pollution escaping from the shuttle that might interfere with future cargo.

The work was one of a number of tests that had to be done to clear the way for the first operational mission, set for Nov. 11, when Columbia will haul two commercial communications satellites into orbit for the first time.

The possibility of a delay in the next flight was raised by a space agency announcement that parasite failure was the reason the shuttle's twin solid propellant boosters sank in the Atlantic after being jettisoned at an altitude of 31 miles on Sunday.

CAPE CANAVERAL, Fla. — The space shuttle astronauts overcame trouble with Columbia's mechanical arm on Tuesday and hoisted a pollution monitor to help clear the way for the next flight, on which the ship will haul satellites for a fee.

The shuttle, in the third day of its fourth and final test mission, now has logged two weeks in space since it started flying last year. It is beginning to perform as routinely as an airliner.

The astronauts, Capt. Thomas (Ken) Mattingly and Henry W. Hartsfield, had difficulty with the computer-controlled operation of the payload-grabbing apparatus on the end of the 50-foot (15-meter) Canadian-built arm. But after more than an hour of troubleshooting with the help of instructions from mission control, they reported they could operate the arm manually.

They used the boom to lift the 800-pound (360-kilogram) gas and particle detector out of the bay to start the last series of contamination surveys around Columbia to look for pollution escaping from the shuttle that might interfere with future cargo.

The work was one of a number

Star Discovery Verifies U.S. Scientist's Theory

By Bryce Nelson
Los Angeles Times Service

WASHINGTON — Astronomers have identified a new type of pulsating star, a finding that marks an important advance in understanding the structure and evolution of stars, the National Science Foundation has announced.

The new class of star, a pulsating "white dwarf" with a helium surface, is the first to be predicted by theory before its discovery, the scientists said.

Astronomers said Sunday the pulsations would help in understanding the internal composition of stars and how they evolve from normal, "hot" objects into the cold stellar corpses called white dwarfs.

When the star pulsates, it shows measurable variations in brightness caused by regular variations in its temperature. Previously, only white dwarf stars with hydrogen surfaces were believed to pulsate.

Major Gaps in Understanding

On May 26, astronomers, using a 36-inch (91-centimeter) reflecting telescope in McDonald Observatory at Mount Locke, Texas, confirmed Mr. Winget's theory that white dwarfs with helium surfaces also pulsate.

Mr. Winget said, "There are major gaps in our understanding of stars in their late middle age and retirement years. We don't yet understand how an ordinary star like our sun becomes a white dwarf."

Mr. Nather said that because white dwarfs are among the oldest stars in the galaxy, their internal structure must contain an archaeological record of the early history of star formation.

He said the finding "can open up other opportunities for exploration of the stellar graveyard and allow us to reconstruct the whole life story of the stars."

In fact, they said, it is so dense that a teaspoon of water on the star's surface would weigh several tons.

The star was discovered by Donald E. Winget, 26, an astronomer at the University of Texas, in collaboration with R.E. Nather and Edward L. Robinson, both also of Texas, and Gilles Fontaine of the University of Montreal.

It is situated 30 to 100 light-

years (180 trillion to 600 trillion miles) from Earth and is a near neighbor of the Milky Way. It is far too faint to be seen with the naked eye.

When the star pulsates, it shows measurable variations in brightness caused by regular variations in its temperature. Previously, only white dwarf stars with hydrogen surfaces were believed to pulsate.

Very Dense

The newly identified star, which is designated only as "GD358," is number 358 in the astronomical numbering system, has a mass about 60 percent that of the sun but a radius only about twice that of Earth, the astronomers reported.

He said the finding "can open up other opportunities for exploration of the stellar graveyard and allow us to reconstruct the whole life story of the stars."

For the first time, we've got a digging tool for going down into the stellar corpses and seeing what they're made of," he said.

The astronomers said the star's surface temperature is about 40,000 degrees Fahrenheit (22,200 Celsius), about three times hotter than the surface of the sun.

Mr. Nather also said the star may be named after Mr. Winget.



Pierre Balmain

Pierre Balmain, 68, French High Fashion Designer, Dies

Compiled by Our Staff From Dispatches
PARIS — Pierre Balmain, 68, a leading fashion designer died Tuesday at the American Hospital because of the liver after a two-month illness, his salon said.

Over 37 years, Mr. Balmain made clothes for Queen Fabiola of Belgium and Queen Sirikit of Thailand and such celebrities of the entertainment world as Marlene Dietrich, Sophia Loren, Michele Morgan, Ingrid Bergman and Brigitte Bardot. He also developed a successful perfume, ready-to-wear and accessory business with 130 outlets around the world.

Mr. Balmain resigned at the height of high fashion in the 1950s and 1960s, when a simple rounding of a shoulder or dropping of a hemline by the Parisian couture houses sent shock waves through the clothing industry.

He was born in the Savoy region. His father, a shopkeeper, died when he was 7, and he was raised by his mother. Mr. Balmain studied art and architecture before winning his first job in the Moineux salon in 1934. He became an assistant designer at the Lucien Lelong salon in 1939 and, after

being demobilized from military service, returned to Lelong in 1941 where he met another young designer, Christian Dior. Together they designed the Lelong collections.

First Collection

In 1945 Mr. Balmain opened his own fashion house in Paris and presented his first collection. He was praised by the press as a sober, youthful and vigorous talent.

Mr. Balmain quickly achieved fame for elegant design, notable examples being a gold-buttoned ermine reefer and white mink trench coat. His clothes were cut and had a sense of fine fabrics in such a way that they defied passing fads.

Gina Lollobrigida, Jennifer Jones, Claudette Colbert and Vivien Leigh were among the other celebrities who ordered his lavish evening gowns, known for decades as the most beautiful in Paris, glittering with hand-embroidered beads and sequins, rich with feathers and lace.

Mr. Balmain expanded his business with a New York shop in 1951 and another in Caracas in 1953 and another in Caracas in

1954, the beginning of Pierre Balmain boutiques around the world.

High fashion clothes began to decline in the late 1960s under the onslaught of the developing ready-to-wear industry with its own range of big-name designers. Mr. Balmain's creations became less noticed, but he continued to serve private clients as well as producing ready-to-wear.

Mr. Balmain never married. A large jovial man-about-town, he wore a monocle, sported a black cape lined with red silk in the evenings, and sang in a booming operatic tenor at parties. He also loved to travel.

He owned homes in Elba, Marakesh and Normandy. His art collection included Greek statuettes, 15th-century Chinese terra cotta, and antique vases and bowls.

Final Show

He finished his final collection for next month's showings while in the hospital and insisted that they be held as scheduled. The designs will be shown July 26, and the Balmain house will continue under another designer yet to be selected, possibly his assistant, Erik Mor-

gensen of Denmark, a salon spokesman said.

Mr. Balmain was awarded the Cross of the Legion of Honor by France and also had decorations from Denmark, Italy and the city of Paris.

He created controversy in the United States in 1961 when he criticized American women for being fashion copycats.

"I think Jackie Kennedy has a very great flair for clothes — very modern and elegant — and she's caused a lot of it," he said. "And I admire her courage to wear only one style of hat. But there is the usual American mistake: Every woman wanting to look like her."

Frank E. Hook

MINNEAPOLIS (NYT) — Frank E. Hook, 89, a one-time iron ore miner who served as a Democratic congressman from Michigan from 1935 to 1943 and from 1945 to 1947, died Monday in Edina, Minn.

Frank O. Hunter

SAVANNAH, Ga. (AP) — Maj. Gen. Frank O. (Monk) Hunter, 87,

Ex-Peace Negotiator Loses Post in Vietnam

Reuters

BANGKOK — Vietnam's former chief negotiator in the Paris peace talks, Xuan Thuy, has been dropped from the State Council in what Western diplomats in Bangkok said Tuesday was the final stage of his political decline.

But they said it was unlikely that the hard-line Communist and revolutionary, who spent long periods in jail and in the jungle, would have lost his posts as vice president and secretary-general of the council but for poor health.

Mr. Xuan Thuy, in his mid-70s, lost his job on the Communist Party Central Committee at the party congress in March.

The State Council, a collective presidency, is nominally Vietnam's top policy-making body, but most important decisions are made in the party's Politburo, diplomats said.

The Vietnam News Agency named Mr. Xuan Thuy's successor on the council as Huynh Tan Phat, a southerner who was president of the Provisional Revolutionary Government in South Vietnam during the Vietnam War.

Token Role

Mr. Phat, 70, has played a token role in the government in Hanoi since the country was reunified after the war. Two weeks ago Mr. Phat resigned from the Council of Ministers, or Cabinet.

The appointment of Mr. Phat, who is not a member of the Communist Party, as State Council vice

president was a gentle way of pushing him aside, one diplomat said.

The post of secretary-general went to Le Thanh Nghi, who implemented widely criticized economic policies of the late 1970s. He was dropped from the Politburo in March.

Vu Quang, vice minister of communications and transport, was also named to the State Council, replacing Nguyen Thanh Le.

The State Council changes were announced by the National Assembly at the end of a six-day meeting in Hanoi, the agency reported.

Mr. Xuan Thuy, one of the country's leading propagandists and Communist theoreticians, joined the Ho Chi Minh Revolutionary Youth League when he was 14. He was jailed by the French in 1939 for six years for Communist activities and later, between 1963 and 1965, was North Vietnamese foreign minister, resigning on health grounds.

The 496-member National Assembly, elected in April last year, also made changes in its standing committees, the agency said.

Mr. Quang gave up his post as chairman of the Committee for Youth to become chairman of the Foreign Relations Committee, replacing Nguyen Thanh.

Diplomats said the changes in the State Council had little political significance as long as Truong Chinh, its powerful president and the No. 2 Politburo member, retained his post. Mr. Truong was elected by the National Assembly last July.

One diplomat said, "The loss of her committee post conforms with the recent policy of not giving one person many jobs. It is not a loss of prestige."

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Xuan Thuy
... in 1972.

Sihanouk Expects Singapore to Join Coalition Aid

Reuters

SINGAPORE — Prince Norodom Sihanouk, the president of the anti-Vietnamese coalition of Cambodian rebels, said here Tuesday that Singapore will join Malaysia in considering material aid to the non-Communist faction of his government-in-exile after he forms a credible united front.

Before flying to Jakarta, the former Cambodian head of state said that the non-Communist Association of Southeast Asian Nations wanted to see the nationalists with a strong army to balance their major coalition partner, the Communist, Peking-backed Khmer Rouge. The coalition calls itself Free Kampuchea.

This is especially true of Singapore and Malaysia, he said. Indonesia, Thailand and the Philippines, all on the itinerary of his current aid-seeking trip, are other members of the association.

He also said he is planning trips in the near future to Africa, the United States and other Western countries.

Thatcher Will Visit Rome

Reuters

LONDON — Prime Minister Margaret Thatcher will visit Rome on July 7 for talks with Premier Giovanni Spadolini and other Italian leaders, the British government said Tuesday. Foreign Secretary Francis Pym and the chancellor of the exchequer, Sir Geoffrey Howe, will accompany her.

Head Count in China Is to Begin Thursday

Reuters

PEKING — China and its billion or so people embark on the biggest census in world history Thursday, with authorities determined to make the head count more accurate than ever before a long history of census dodging.

To deal with the country's rapid population growth, the government needs reliable information for its strict birth-control policy and its economic planning.

In the buildup to the census, Peiping has been conducting a nationwide publicity campaign stressing the need for a responsible attitude and proper supervision.

About 5.7 million census officers have been appointed to make sure everyone fills in the forms correctly; random checks will be made on 1 percent of households to seek out any errors.

The main problem is that China, whose successive rulers have tried to keep close tabs on their people for nearly 4,000 years, has just as long a history of census dodging.

Despite elaborate precautions this time, many of the old motives for trying to deceive the authorities remain. While it may no longer be true that people will avoid the census for fear of being pressed into some warlord's army, peasants working illegally in cities are unlikely to want to advertise their presence for fear of being sent home.

People in remote areas — 80 percent of the population lives in the countryside — might not want to raise the standard of living.

The exercise will cost China \$200 million, in addition to \$15.6 million provided by the United Nations Fund for Population Activities to buy American computers. The results will not be fully available until 1984.

Li Chengui, head of the State Statistical Bureau and one of the top organizers of the census, wrote in a government magazine that "people are ready to cooperate with the government in census-taking because they know it will advance economic construction and social progress, and help efforts to raise the standard of living."

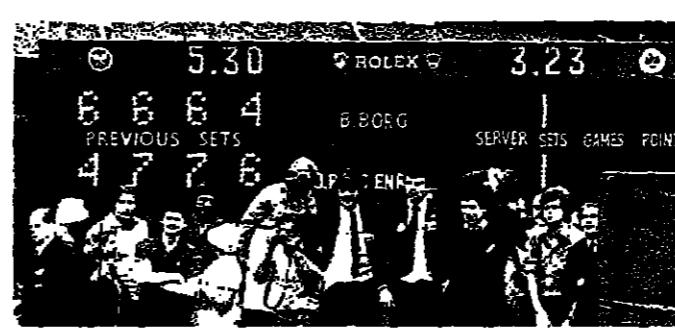
the modern game.

One thing at Wimbledon, however, will never change.

The winner on the day will be the player with determination, strength, and immaculate timing.



ROLEX
of Geneva

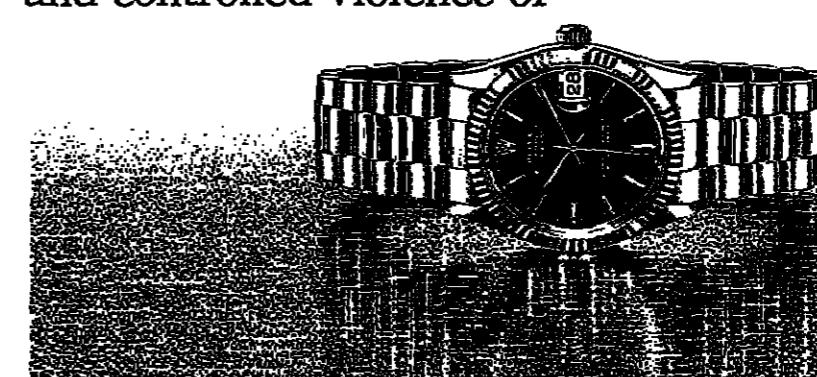


Perfect timing on the Centre Court.

spectators rely on Rolex for perfect timing.

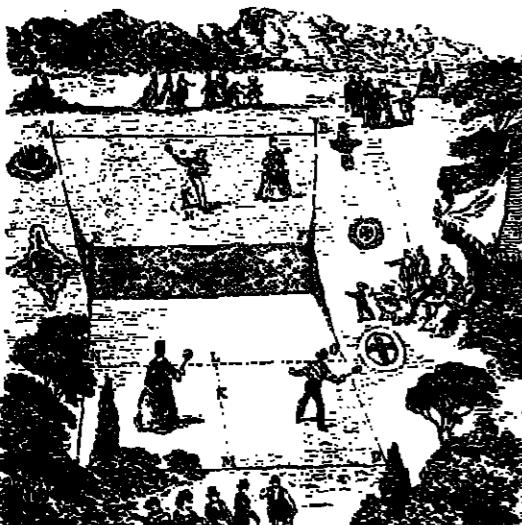
Many of the world's top professionals choose a Rolex Oyster as their own personal timepiece.

Its tough, rugged construction (it takes 162 separate operations to carve an Oyster case from a single piece of metal) provides strong, secure protection for the precision movement against the speed, power and controlled violence of



Pictured: The Rolex Datejust Chronometer (68278). In 18ct. gold; steel and gold combination; or stainless steel, all with matching bracelet. Watch shown actual size.

How times have changed at Wimbledon.



Tennis before Wimbledon.

The men's final attracted just 200 spectators.

They each paid one shilling to watch the proceedings, and the total profit from the entire event was just £10.

Yet that first inaugural Wimbledon committee were responsible for many innovations and changes.

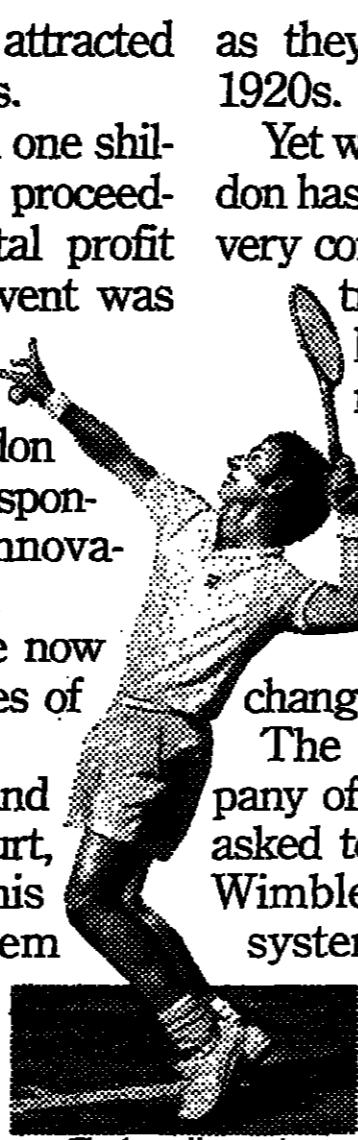
Ideas which are now permanent features of the game.

The shape and size of the court, and the tennis scoring system are directly attributable to their decisions.

Superficially, Wimbledon today would seem not to have changed.

The cavernous arenas of Centre and No. 1 courts and the perfectly manicured grass look much the same as they did in the 1920s.

An early racquet.



The Australian master, Rod Laver.

reacted quickly and progressively to the ever-evolving needs of the game and spectators.

And times have changed at Wimbledon.

The Rolex Watch Company of Geneva have been asked to update the entire Wimbledon time-keeping system. Throughout the grounds, 22 clocks have been replaced and the entire system is now controlled to an extremely high degree of accuracy by radio signals.

On court, the clocks inform spectators of both the time and the duration of the match. But not only

Off to a Belated Start

The world's oldest established permanent floating disarmament conference has reopened in Geneva. It has been a long time since America refused to ratify the SALT treaty, but now it and the Soviet Union are sitting down again to work to contain strategic nuclear weapons — and the heat's on.

The freeze and other proposals emanating from the disarmament movement may confuse the specifics, but they have aroused political pressures that generate hope for progress. Had this swell of public support come three years earlier, the SALT-2 treaty probably would have been ratified. What, if anything, can be achieved now, with only 18 months before the next U.S. presidential campaign?

There is a temptation to say, "Not much." That undoubtedly is the desire of some in the Reagan administration who distrust the arms control process and believe security can come only from a heavy American military buildup. This view predominated through the early months of the Reagan presidency, but it has now been challenged in enough different ways to encourage some optimism:

- Linkage of arms control to political issues has been put aside. The world need not wait for Afghanistan or Poland to be solved before anything is done to lighten the shadow of the Bomb.

- The United States has stopped evading negotiations. Advocates of credible proposals have succeeded in delaying, to a second phase, a variety of proposals that would stymie any first phase, such as demands for equal "throw-weight." The Reagan proposals fit into the mainstream of past SALT negotiations, to reduce and limit warheads on both land- and sea-based ballistic missiles.

- Most important of all, advocates of arms control in the American government have prevailed in obtaining a public commitment from the president to abide by the chief provisions of SALT-2, so long as the Soviet Union continues to do so.

THE NEW YORK TIMES.

None of this means that the Soviets will accept, as is, the Reagan proposals now offered. These seem to provide for equality in both reductions and the numbers of missile warheads to remain, but in fact would require disproportionate Soviet cutbacks.

Moscow has not rejected the concept of cutting missile warheads on both sides from 7,500 to 5,000, but it has expressed reservations about a provision limiting land-based missile warheads, where its strength is concentrated, to half that number. And it insists on including, as in SALT-2, limits on bomber and Cruise missile warheads, where America has a substantial lead. Still, unless there are unrevealed catches in the Reagan plans, realistic Soviet counterproposals could bring the two sides into serious negotiation.

The objective then would be a simplified treaty, more like the SALT-1 interim agreement than the intricate SALT-2 treaty. It would not be easily achieved — and new technology might make it impossible. Like SALT-1 and 2, it would not close the so-called "window of vulnerability" of American land-based missiles. But General Edward Rowny, the U.S. negotiator, has already excluded that as a negotiating objective, a position that can bring a strategic arms agreement much more easily within reach.

A new agreement may be too hard to finish in this short period. If so, Mr. Reagan could ask for congressional endorsement of his pledge to abide by SALT-2. Various ways of doing that have recently been suggested by, among others, Henry Kissinger, who says: "I have a great difficulty understanding why it is safe to adhere to a nonratified agreement while it is unsafe formally to ratify what one is already observing."

That would not bring the oldest established permanent floating disarmament conference to fruition. But it would be, in the most needed arena of all, a start.

THE NEW YORK TIMES.

A Goal Beyond Beirut

The cease-fire has been holding in West Beirut, and it appears the city's ordeal might be ending. Surviving PLO forces sought the cover of its half a million or more (unconsulted) residents, counting on Western pressure — in the absence of Israeli scruple — to keep the Israeli Army at bay. But Israel's strategy for forcing a Palestinian surrender rested on convincing the PLO and everyone else that the Israeli Army would go in.

To his credit, Ronald Reagan finally became alarmed enough by the devastation the Israelis had wrought on the way to Beirut to try to stay their hand. For a while, his counsel made them — and evidently Secretary of State Haig, too — fear that he might neutralize their tactics by intimidating the PLO. The PLO, though, decided not to call the Israeli bluff. Thus was West Beirut reprieved.

It is still not certain that the siege of the city will be permanently lifted. If it is, however, the stage may be set for Lebanon's halting re-emergence as a state in control of its own territory and destiny. Should Israel have adopted the goal, beyond combating terrorism, of removing Palestinian and Syrian forces and "reconstituting" Lebanon? Should it have used such bloody methods in pursuing that goal? Argument on those questions will continue, but it cannot be permitted to get in the way of affording Lebanon whatever benefits it can draw from its latest agony. Stung by the impression they have conveyed of indifference to Arab lives and to

THE WASHINGTON POST.

LETTERS TO THE EDITOR

Britain's Deterrent

Regarding "Britain Should Leave the Nuclear Game" (IHT, June 26): Mr. Rosenfeld thinks the United Kingdom should abandon its nuclear arms because they add little to British security that is not bestowed by the U.S. connection. This is not the case. Britain's nuclear arsenal forces the Soviets to take one more nuclear power into account when thinking about war in Europe. This enhances Western deterrence, especially at a time when American credibility is low.

Paris. ROBERT DUJARRIC.

Britain Faulted

That the Falklands war was necessary to save 1,800 British settlers from an intolerable fate is hard to believe. Between 1833 and 1982, many more thousands of Britons have settled freely on the mainland of Argentina, to live contentedly and prosperously and to become a respected part of Argentine society.

On the Malvinas issue, Argentines have always been united. The British campaign and the heavy sacrifices will have strengthened their unity and re-

solve in this matter, which will now remain one of high national priority for future governments.

That a large part of the British public could in 1982 be carried away by nationalistic emotions and rhetoric is amazing. It is deeply disappointing to those abroad who have looked to today's Britain as a model of a civilized and sensible democracy.

Jerusalem. L. NOY-MEIR.

Trans-Oceanic Echo

Dial Torgerson ("Cheers Turn to Tears," IHT, June 16) quotes an Argentine as asking, "Why did we do all this — to get nothing?" There are quite a few thoughtful Britons asking the same.

AL HIX.

Same Old Prison

From the article on the Peking municipal prison (IHT, May 31), I see that things haven't changed at my old alma mater since I left it more than 20 years ago.

It being a model prison open occasionally for inspection and visits by foreigners or overseas Chinese, living conditions for the inmates tend to be somewhat better than those in labor camps or

even in an overwhelming number of People's Committees.

But Peking Prison never was and is not now a "country club." Like any other prison or labor camp in China, its "facilities" and "welfare benefits" are intended for the single purpose of increasing production and accelerating the inmates' ideological reform.

The daily study sessions are intended to "reform" the prisoners "bad thoughts" and "incorrect ways of thinking." They can train them into skilled dialecticians: able to hold their own when arguing with wardens. During these political study sessions all are supposed to express themselves without fear of reprisals. We had nothing to fear: We were in prison already! Prisons in China are the only places left where freedom of speech is encouraged.

As for prisoners who do not leave after serving their time, this is not new. In 1954 a law was passed to oblige prisoners to stay on after their sentences were up.

On our "graduation day" we all asked the authorities to let us stay on so as to make an active contribution to the building of socialism. If we didn't do so, it was proof that we hadn't reformed.

J. PASQUALINI.

June 30: From Our Pages of 75 and 50 Years Ago

1907: Garbage Fouls New York

NEW YORK — Mayor McClellan has abandoned his weekend vacation to take command of the situation due to the strikes of the street cleaners and the ice wagon drivers, resulting in encounters between strikers and strike-breakers. Ice is scarce. Scores of employees of the Health Department, removing the heaps of garbage, the accumulation of five days, have been driven off by the strikers, but the work is now well organized, and the operators are protected by the police. Squads are saturating the garbage heaps with disinfectants pending their removal by the yet insufficient wagon force. On the West Side the conditions are not generally offensive, but on the East Side they are most obnoxious.

1932: Party Walks Wet Plank

CHICAGO — The battle cry of "beer and light wine" was tossed into the Democratic National Convention when the resolutions committee caused a sensation by bringing in a plank for outright repeal of the 18th Amendment and immediate modification of the Volstead law to permit legalization of beer and wine. The unexpected extreme wet proposal caused an uproar and the drys and moderate wetts immediately announced they would bring in a minority plank calling for a referendum on repeal. Former Sen. Gilbert M. Hitchcock of Nebraska, chairman of the committee, was interrupted by a frenzied demonstration when he came to the words: "We favor repeal of the 18th Amendment."

INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, JUNE 30, 1982

Haig's Main Problem Seems Sure to Survive Him

By Philip Geyelin

WASHINGTON — George Shultz is strong, as Hemingway would have it, in Al Haig's broken places — so plainly so that it is tempting to believe that all will be sweetness and light, steadfast and coherent, firm and effective in the future conduct of Ronald Reagan's foreign policy.

Forget it. Life in the policy-making trenches may be pleasanter, but as the timing and manner of Haig's departure perfectly illustrate the problems afflicting the Reagan handling of foreign policy one far less to defects of personalities than they do to Reagan's defects in management.

True, the secretary of state-designate is not touchy, vainglorious, gratuitously combative, given to public posturing. Unlike Haig, Shultz is easy to get along with. Also unlike Haig, he is California-comfortable with Reagan. He is, he says, "sympathetic" with the president's thinking on national security and foreign policy issues.

But to conclude from all this, as some do, that Haig will stay "sympathetic" is to forget that Haig said the same sort of thing when he took the job. The intensity of the vendettas may have done him in. Finally, but the vendettas were rooted in real differences over policy for the Middle East, China, Europe and East-West relations.

Given what we know about Shultz, you have to allow for at least the possibility that this will happen again, in less contentious but not necessarily less divisive ways. For he would seem to be strong in places Haig was strong: tough-minded, intelligent, widely traveled, schooled in the hard knocks of the policy-making process of government. He gives a sense of someone who believes that an excess of dogma is no virtue and that a realistic rolling with the punches of allies as well as adversaries is not always a vice.

The question, then, is not whether new crises, or those now boiling, are going to generate sharp clashes and deep differences. That is inevitable, if only because the State Department, the Defense Department, Commerce, Labor, the CIA, whatever, serve different purposes and play to different bureaucracies, constituencies and interests.

The overworked "Bechtel connection" is not going to make George Shultz and Defense Secretary Caspar Weinberger as one with each other on arms control or the Atlantic Alliance or even the Middle East, let alone as one with the White House on its domestic political imperatives.

The deeper question is whether, with a minimum of breakage, the team on which Shultz is expected to be a true-blue "team player" can now be made to play like, well, a team. And the answer will have to come, in the case of Shultz's stewardship at State, as it should have come far earlier in the case of Haig's: from the president.

It was the hard choices created by the Reagan administration's first, close encounters with the real world that drove the wedges between the practiced Haig and the novices and ideologues entrenched at the White House and the Pentagon. It was unforeseen events and unyielding forces — political, diplomatic, military — that took Haig in tow and tugged him by his own account, off the president's course.

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What are they trying to tell us? Something we don't have to be told — if it's true. Something that squares poorly with the president's unreadiness to give extemporaneous expression to his foreign policy, publicly. Something that squares not at all with his sudden appearance in the White House press room to announce — while referring to that Swiss watch of a policy-making machine has just busted its mainspring.

The Washington Post.

The 'Vicar' Had to Go

By Rowland Evans and Robert Novak

WASHINGTON — A quick end to the tenure of Alexander Haig as secretary of state was signaled in mid-April by National Security Adviser William Clark.

A conservative Republican leader had complained to Clark that Haig was becoming intolerable on East-West questions. The unexpected response was to this effect: Don't worry about Al, he'll be gone in two months.

Clark did not quite meet that deadline, but his forecast was made well in advance of the issues that finally made Haig President Reagan's first Cabinet dropout. Haig fell mainly because of his determination to be Reagan's "vicar" of foreign policy.

That Haig would not be around for the rest of the year was clear to the Reagan inner circle in early June when the president would not permit Jeane Kirkpatrick to resign as ambassador to the United Nations, as suggested by Haig.

The proximate cause of Haig's departure were Reagan's decision to stiffen sanctions against the Soviet Union on the Siberian natural gas pipeline question and disputes over how to handle Israel's invasion of Lebanon.

But his fate had been sealed, ironically, at the beginning of the year when Haig's enemy, Richard Allen, was forced out of the national security slot at the White House and replaced by Haig's friend, Judge Clark.

That was thought to be a coup for Haig, cementing his vicariate. But Clark was Ronald Reagan's

chief of staff 16 years before he was Al Haig's deputy secretary of state. Insiders who knew Clark's character predicted that, once in the White House, he would not tolerate Haig's insistence on overriding everybody, including the president himself, on policy questions.

Haig-Clark friction grew during Reagan's European tour, leading to the president's June 18 stand in Washington against the pipeline during a meeting that was not attended by Haig. The secretary was outraged that a step so antagonistic to NATO partners should be taken in the wake of Reagan's trip, during which there was no hint of tightening the screws.

Characteristically, State Department bureaucrats privately reacted to the pipeline decision by pledging that the sanctions ultimately would be watered down below the point of recognition. That sort of attitude was what Clark was talking about when he predicted to the congressional Republican leader that Haig would fall.

At the end, Haig was alone. James Baker, the White House chief of staff, considered him a disruptive force from the first day of the administration. Secretary of Defense Caspar Weinberger had clashed with him on almost everything. Even easygoing Vice President George Bush was semi-public this month in complaining about Haig's pro-Israel tilt. "Good riddance," said one senior presidential aide, reviving the taunt that Haig would fall.

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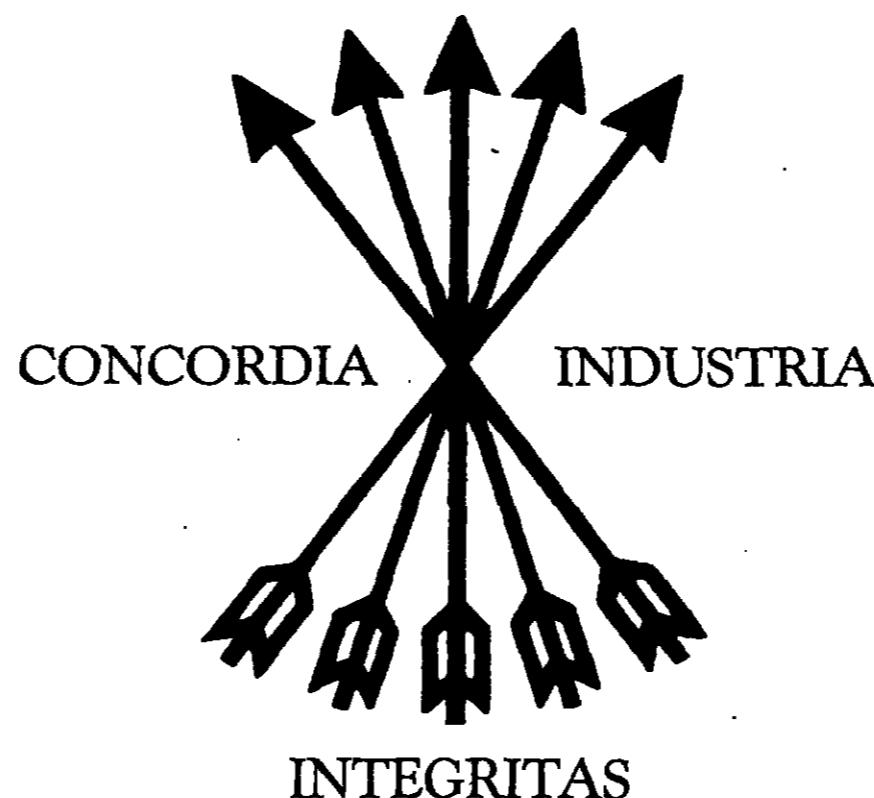
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JUNE 1982



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ARTS/LEISURE

'Veronika Voss' Lacks Suspense

By Thomas Quinn Curtis

PARIS — The late Rainer Werner Fassbinder's penultimate work, "Die Schauspielerin Veronika Voss" (The Yearning of Veronika Voss) received the first-prize Golden Bear at the 32d Berlin festival, a jury verdict that may raise some eyebrows.

Shot in black and white to match its early 1950 setting, it is stuffy, old-time melodrama that borrows from "Street Boulevard" and Fritz Lang's hair-raising Dr. Mabuse series.

Its heroine is a faded star of the German cinema trying to cope with evolution of tastes. Bester by declining popularity, advancing years and hallucinations of her glamorous past, she falls into the clutches of a pack of quacks who drug her with morphine in a sinister clinic. A journalist she chances to meet learns of the malpractice and would bring her parasite persecutors to justice. They, alarmed, connive to finish off their distract-
ed patient.

Rose Zech as the withered favorite in no way resembles the movie queens of the quandam German movies — Marlene Dietrich, Paula Wessely, Anny Ondra or Sarah Leander — and she is triumphantly clad. The improbable situations that arise suggest a sensational Otto Soska thriller crossed with episodes from "The Perils of Pauline," but the film lacks the suspense element on which such things thrive. One suspects the Berlin festival jury was lulled into

slumber by the monotony of the glut proceedings.

* * *

The movie about vagabond youth must be excruciatingly bad to fail. Genetically it contains the seeds of instant success. Whatever horrendous hardships it may describe, it sounds a siren obligato, voicing plaintively the insatiable yearning for youth, liberty and adventure that is irresistible, even if just another romantic illusion.

Add to earlier screen treatments of this general theme the Brazilian film "Pixote" by Hector Babenco. His case is that of an orphan who, revolting against the injustices in a reform school, makes his getaway with two fellow inmates and before long is in the thrall of the underworld, an accomplice in drug and prostitution rackets and in holdups and murders. Nearer ba-
byhood than manhood, he is a def-

"Pixote" has been recommended as a tonic exposé of the shocking conditions of underprivileged children in urban Brazil. The recommendation is in order, but the film is far more than a social document. From its sordid evidence, Babenco has distilled a drama of extraordinary excitement and poignancy, innocent of the slightest theatrical trickery. All that happens has an authentic ring, but the unrelenting naturalism is edged with uncommon directorial cunning.

There is much violence, but there is also a curious humor, now macabre, now of schoolboyish

fooling. These junior banditti may not be happy, but they are happier at large than locked up. Between their evil deeds, they have exhilarating fun, and their moments of tormenting their rough and deep comrades and the shadow of their pathetic longings have been wonderfully humanized.

As the Jewish youngster turned by circumstance into a dangerous criminal, Fernando Ramos da Silva, a 10-year-old of fallen-angel countenance, supplies a piece of acting that is compellingly per-
suasive in all its details, and the supporting actors fit their assignments to perfection. "Pixote" is a motion picture in which the Brazilian "cinema novo" may take

* * *

Jean-Jacques Aublanc, making his directorial debut with "Un Matin à la Roue," has efficiently stage-managed his company of reputable actors — Claude Rich, Michel Duchaussoy, Jacques Fabre and Maurice Ronet — but the script he has written for them is as riddled with holes as a shooting-gallery target.

Forty years after an incident in World War II, six comrades of the Class of 1943 meet for a reunion in their provincial town. One of them is now mayor of the community and he informs his friends that he has tracked down the man who betrayed their schoolmaster to the Nazis: the teacher was executed before their eyes. As capital punishment has been abolished in France, the mayor has decided to take justice into his own hands.

To meet the regulation movie time schedule, Aublanc inserts long sequences of a village fete that is taking place. At the end, the informer who profited from the Nazi reward is beckoned to the town hall and the mayor takes down his rifle and shoots him dead in the town square. The story — such as it is — is told in a straight-
forward manner, but for his next venture Aublanc should engage a scenarioist who has something more pertinent to say.

Primary area of interest is the

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Mortadella: Not a Bit of Baloney

WHEN I was a youngster, the sausage we ate most often — except, of course, for the frankfurter — was baloney, alias balony or boloney and, for the erudit, bologna. It was not a food that impressed itself indelibly on the memory, though it served the lazy as an easily applied component of sandwiches in which its frequent companion in the same role, deviled ham, it assumed the task of representing meat at picnics, though without much conviction that it was succeeding.

This was the only sort of baloney of which I was conscious in New England early in this century, though it appears that there was, in Pennsylvania Dutch country, a sausage with more character referred to as "Lebanon-style bologna" — meaning, of course, Lebanon, Pennsylvania, not the Middle Eastern country. Calling it bologna was close to libel, for the Lebanon sausage, or summer sausage, was eminently qualified to represent meat.

The late Alfred Emanuel Smith, governor of New York and presidential candidate for the presidency, must, like myself, have been

much exposed to baloney during his upbringing, for he is credited in the reference books with having originated the only two phrases known to me that have enshrined baloney in folk speech; and I judge that it was the same rather tired baloney, for neither of his references to it sounds particularly complimentary.

According to the Oxford Dictionary of Quotations, Gov. Smith, when invited to lay the cornerstone of the New York State Office

WAVERLEY ROOT

Building, answered, "Nothing doing. That's just baloney. Everybody knows I can't lay bricks." It is obvious that he did not invent the expression for he expected everybody to understand it.

The other example appears in Bartlett's Familiar Quotations, attributed to a 1936 campaign speech: "No matter how thin you slice it, it's still baloney." (I think it runs more trippingly off the tongue in the more familiar form, "No matter how thin you slice it, it's all the same.") Smith was on this occasion referring to the rhetoric of Franklin D. Roosevelt; Claire Booth Luce later expanded the scope of the word by coining "globaloney." A rhyming derivative, inevitable if not tautological, produced "aphony-baloney," which Damon Runyon rendered into mock-Latin as "aphous-baloney."

"Baloney" as a corruption of "bologna" recognizes that the American sausage is an imitation of mortadella, the most famous sausage of those produced in Italy's Bologna. Mortadella is a very old creation and Bologna is a very old sausage-making center. Tradition has it that the ancient Romans first learned about sausage from the Gauls, and that the tribe that had the earliest opportunity to instruct them was the Boni. Invading Italy, they drove the Gauls out of Felsina, which was renamed, apparently from them, Boni; it is Bologna today. In 190 B.C. the Romans took the city and acquired sausages; after one year's enjoyment of them, they adopted the region as a colony.

The Bologna region has had the reputation of being the most prolific sausage-making area of Italy ever since.

A great deal of mediocre sausage is misleadingly referred to as mortadella, but as made in Bologna, mortadella is one of the great sausages of the world, which well deserves the accolade accorded it in 1661 by Ovidio Montalbani, a doctor and a gourmet, who called it "the noblest of all pork products." Many other experts, before and since, have agreed.

A dissenting opinion was expressed by Anatole France, who found mortadella unpleasant in taste and indigestible for the stomach; "but he had with him, during his visit to Bologna," wrote Alessandro Cervellati, "his tyrannical friend, Madame Caillavet, which was certainly no help to the digestion." The French *Dictionnaire de l'Academie des Gourmets* says, "Mortadella has a pleasant taste, but, being made of two kinds of meat, both distinctive, it does not have a clearly defined flavor."

It is perhaps because this mixture of meats causes them to cancel out each other's flavors that I remember baloney as uninspiring and, at its worst, recalling soap in texture. In soap, tastelessness is a virtue.

©1982, Waverley Root

New Royal Ballet 'Orpheus' Is a Showcase for Eurydice

By Noel Goodwin
International Herald Tribune

works like this eclipsed newer ones.

Comparisons are inevitable. MacMillan's version has more elaborate detail but less compelling choreography. His designer, Nicholas Georgiadis, provides costumes and headresses in stylized Greek manner, as well as high metal ladders shining against black drapes to suggest the pit of hell, but these are not so striking as the sculptured simplicity of Isamu Noguchi's wonderful New York designs, which have kept their effect after more than 30 years.

Role Extended

An advantage of MacMillan's version is a more extended role for Eurydice, who is seen being turned into Hades over the backs of other "lost souls." She dances a strangely cheerful solo before being restored to a blindfolded Orpheus for their short duet, which is surprisingly allowed to continue briefly even after he has torn off the blindfold, though their contact is oddly passionate.

At the performance I saw, Margot Fonteyn brought grace of line as well as poignancy of character to Eurydice. Wayne Eagling was a strongly focused Orpheus, but the role's emotional feeling seems added to his dancing rather than expressed through it. His soul is supposedly contested by a dark angel (Philip Brooksbank) and the angel of light (Stephen Beagley), but they seem less actively concerned with Orpheus than with each other.

The Furies are energetic but not particularly aggressive in the steps they are given, and Apollo is very much at odds with the rest in having stiff-legged, robot movements that belong more to the world of dolls than deities. In a gloss on the myth that I have never seen before, Orpheus and Eurydice are shown united in death and rising heavenward, much as if they had just danced "Swan Lake."

Stravinsky's beautifully crafted music, an essay in sculpted line and rhythm rather than expressive feeling, was decently played under the conducting of Ashley Lawrence. The new ballet was flanked by "The Firebird" and "The Wedding," from the Royal Ballet's printed list of 10 Stravinsky ballets produced since 1948, too many of which have regrettably been dropped for lack of any will or inclination to keep them in the repertoire.



Fernando Ramos da Silva in "Pixote."

<

BUSINESS / FINANCE

WEDNESDAY, JUNE 30, 1982

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BUSINESS BRIEFS

Dome Subsidiary to Sell 6 Tankers

LONDON — Dome Petroleum has signed a letter of intent to sell six tankers to private business interests in Quebec for 44 million Canadian dollars (\$34 million), the financially troubled oil company said Tuesday. The ships, owned by its subsidiary Davie Shipbuilding, include five now in service at the Branch Lines Division fleet, and one just built, Dome said.

Fed Allows Chase-Equimark Deal

WASHINGTON — The Federal Reserve Board will not interfere in Chase Manhattan's proposed purchase of stock of Pittsburgh-based Equimark and its subsidiary Equibank, it was announced Tuesday.

In a letter to Chase, the Fed said its "serious concerns" about Chase exerting influence over other companies have been eased by modifications Chase made in the proposal it submitted last year. The Fed said Chase agreed to a number of conditions that limited its control over Equimark and its bank.

As previously announced, Chase offers to purchase \$25 million of Equimark's non-voting preferred stock and to take a similar stake in Equibank.

Intersind Discards Wage Escalator

ROME — Intersind, the management organization of Italian state-held industries, has decided to abolish the 1975 agreement that links wage increases to the cost of living.

The Intersind board voted 16-1 Monday to discard the wage-escalator agreement known as the scala mobile. A similar decision had been made by Confindustria, the private-sector industrial management organization. Both groups said the scala mobile was highly inflationary.

Associated Hotels Sets Loan Terms

HONG KONG — Associated Hotels has signed a syndicated loan agreement for 650 million Hong Kong dollars (\$110.5 million) with a lending group led by Canadian Imperial Bank of Commerce and Yien Yieh Commercial Bank of China, Canadian Imperial said Tuesday. Interest on the four-year loan was set at 1½ points over the Hong Kong interbank offered rate.

Krupp, Estel to Make Joint Aid Bid

BONN — Krupp Stahl and Estel Hoesch Werke have agreed on a joint investment plan in time to meet a June 30 deadline for requesting state aid, a Krupp Stahl spokesman said from Bochum, West Germany.

The spokesman declined to give details of the package, but industry sources said it is for about 4.8 billion Deutsche marks. The two firms, which plan to merge their steel operations this year, could receive federal aid amounting to one third of the total investment, the sources added.

Court Rejects Bouygues' Takeover

PARIS — The Paris Commerce Tribunal said Tuesday it had ruled Bouygues' takeover of the Drouot insurance group in February was invalid, and it fined Bouygues 300 million francs (\$2,890).

It ordered Bouygues, a major French public works and construction group, to return the shares of the three companies of the group, Groupe Drouot, Vie Nouvelle and Sté de Participations Internationales, in exchange for the 505 million francs it paid for the shares, plus interest since February.

Barnett to Acquire Great American

TAMPA, Fla. — Barnett Banks has announced an agreement to acquire Great American Banks for \$47.3 million, which could push it past Southeast Banking as Florida's largest banking company.

The proposed acquisition would raise Barnett's assets from about \$6 billion to \$6.75 billion. Southeast Banking Corp. had assets of \$6.6 billion as of March 31.

Barnett said Monday it had agreed to buy the 42.8 percent of Great American's voting stock held by Marvin L. Warner's Combanks, which is based in Orlando, Fla.

Compiled From Agency Dispatches

U.S. Court Limits State Tax on Foreign Units

By Robert C. Siner

WASHINGTON — The U.S. Supreme Court defined new limits Tuesday on the ability of states to tax the worldwide income of multinational corporations.

In a pair of 6-to-3 decisions involving Idaho and New Mexico, the court held that a state cannot tax the dividend and capital-gain income of independent foreign subsidiaries whose parent companies are based outside the state. In such cases, a company must show that the foreign subsidiary is not part of a "unitary business" but is economically distinct from its operations in the state.

The court, amplifying a 1980 decision that allowed states to tax in-

come earned outside their borders using the so-called unitary rule, found that New Mexico could not tax the worldwide income of F.W. Woolworth because the income from Woolworth's foreign subsidiaries was not connected with its New Mexico operations. Woolworth owns subsidiaries in West Germany, Canada, Mexico and Britain.

Speaking for the majority, Justice Lewis F. Powell held that "A showing has been made that income unconnected with the unitary business has been used in the levy of a New Mexico tax. We conclude that this tax does not bear the necessary relationship to opportunities, benefits or protection conferred or afforded by the taxing state."

Euromarket Activity Up 23%, OECD Says

PARIS — The rate of borrowing on international capital markets in the first five months of this year was up 23 percent higher than in 1981, the Organization for Economic Cooperation and Development said Tuesday.

The OECD, in its latest survey of financial market trends, said that new borrowings were undertaken at an annual rate of more than \$175 billion in the first five months of 1982 and at an annual rate of \$194 billion in April and May.

The report said the five-month rate was much faster than had been expected and far surpassed the \$143 billion in medium-term Eurobonds and external bond offerings in 1981. The OECD excluded from this figure the huge financings by U.S. corporations for takeover battles last year.

The report said that borrowers have been crowded out of domestic markets by public sector borrowing and had to raise money on international markets.

The OECD said it saw little likelihood of a change in the pattern for the remainder of the year. For the early part of next year, it said that the direction of U.S. interest rates held the key.

"Although there appears to be an international consensus that these rates are too high, in particular against the background of the slackness of the world economy and the lower inflation rates now prevailing in the United States, considerable uncertainty remains as to whether a significant reduction in U.S. interest rates can be achieved in the coming months, especially in the longer-term markets," the report said.

CURRENCY RATES

Interbank exchange rates for June 29, excluding bank service charges.									
	1	2	3	4	5	6	7	8	9
Amsterdam	2.2073	4.725	114.925	5.748	0.7982	5.872	129.045	31.925	
Brisbane (A)	4.725	114.925	5.748	0.7982	5.872	129.045	31.925		
Buenos Aires	2.0775	4.275	50.024	5.025	0.7982	5.872	129.045	31.925	
Caracas	1.715	3.475	47.925	5.025	0.7982	5.872	129.045	31.925	
Madrid	1.70135	2.67150	50.025	5.025	0.7982	5.872	129.045	31.925	
New York	1.7275	2.67150	50.025	5.025	0.7982	5.872	129.045	31.925	
Paris	1.6775	2.67150	50.025	5.025	0.7982	5.872	129.045	31.925	
Stockholm	2.2427	1.2071	82.025	30.977	0.52027	7.7455	145.925	34.925	
Tokyo	0.9555	0.5222	2.2616	4.5525	130.025	2.0183	44.9163	2.8287	8.3996
1 ECU	1.8684	0.29507	2.2616	4.5525	130.025	2.0183	44.9163	2.8287	8.3996
1 SDR	1.8684	0.29507	2.2616	4.5525	130.025	2.0183	44.9163	2.8287	8.3996
Dollar Values									
1	Currency	1.23.3.	2.00.8.	5.00.5.	0.7982	5.872	129.045	31.925	
1.0725	Australia 1	0.9265	0.6016	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 2	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 3	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 4	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 5	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 6	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 7	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 8	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 9	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 10	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 11	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 12	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 13	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 14	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 15	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 16	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 17	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 18	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 19	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 20	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 21	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 22	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 23	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 24	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 25	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 26	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 27	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 28	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 29	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 30	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 31	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.6077	
1.0725	Australia 32	1.275	0.9105	1.0106	0.6077	0.6077	0.6077	0.	

Dow Jones Averages

	Open	High	Low	Chg.
20 Ind.	81.82	81.40	81.25	+1.25
21 Ind.	104.43	104.22	103.97	+1.64
13 Util.	104.43	104.22	103.97	+1.64
45 Sto.	318.22	318.22	318.00	+1.64

Standard & Poors Index

	High	Low	Chg.
Utilities	112.24	112.24	+1.64
Finance	51.27	51.29	+1.64
Trans.	17.72	17.71	+1.64

**Included in the sto. figures.

Market Summary, June 29

Market Diaries AMEX Stock Index

NYSE Prev. Close AMEX Prev. Close

High Low Chg. % Chg. %

Vol. Up Vol. Down Unch. New Highs

Odd-Lot Trading in N.Y.

Buy Sales Short

June 26 100,000 260,000

June 25 100,000 260,000

June 24 125,000 260,000

June 23 125,000 260,000

June 22 125,000 260,000

Bonds Utilities Industries

High Low Chg. % Chg. %

100 100 100 100 100 100

100 100 100 100 100 100

100 100 100 100 100 100

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Dollar Falters In Slow Trading At Quarter-End

(Continued from Page 9)

LONDON — The dollar fell against most major European currencies in slow trading Tuesday, reflecting some profit-taking and an easing in Eurodollar deposit rates dealers said. Gold and silver bullion rose.

Eurodollar rates ended about 7/16 lower as pressures stemming from the end of the quarter began to abate, the dealers said. They said a number of traders were buying back European currencies Tuesday after heavy demand the day before to balance their books.

The British pound, buoyed by the end of rail and subway strikes, regained ground lost Monday, to close at \$1.7434, up from Monday's \$1.72.

The dollar also slipped against the Deutsche mark, closing at 2.4633 DM after Monday's 2.4635. The disclosure that West Germany's trade surplus had widened to about 5 billion DM in May from 3.4 billion DM in April had been expected but still seemed to benefit the mark, dealers said.

In the last days of the Carter administration, a right-of-way permit

was issued for U.S. lands. The pipeline company and state officials are in dispute over the right-of-way permit for state lands, and one has not been issued.

This question involves the current transfers of millions of acres of land from the U.S. public domain to state ownership. The pipeline builders argue that their U.S. permit covers such land, if it was in U.S. title when the U.S. right-of-way permit was issued; state officials argue the other point of view.

Japanese Trade Surplus Fell in May

(Compiled by Our Staff From Dispatches)

TOKYO — Japan's merchandise trade surplus fell slightly in May to \$1.3 billion from the surplus of \$1.4 billion reported for April, the Finance Ministry said Tuesday.

May's figure compared with a surplus of \$809 million a year earlier.

Of the three major permits the pipeline needs, one is in hand and the need for another is in dispute, but the third one is out of reach until a financing plan can be shown to U.S. officials.

In the last days of the Carter administration, a right-of-way permit

was issued for U.S. lands. The pipeline company and state officials are in dispute over the right-of-way permit for state lands, and one has not been issued.

This question involves the current transfers of millions of acres of land from the U.S. public domain to state ownership.

The pipeline builders argue that their U.S. permit covers such land, if it was in U.S. title when the U.S. right-of-way permit was issued; state officials argue the other point of view.

W. Germany Says Surplus Up for May

(Compiled by Our Staff From Dispatches)

WIESBADEN, West Germany recorded a trade surplus of 5 billion Deutsche marks and a current-account surplus of 800 million DM in May, the federal statistics office said Tuesday.

The Economics Ministry said that the improvement in the current account supports the government's forecast that it should be roughly in balance this year.

The statistics office said the current account for the first five months of 1982 showed a deficit of 600 million DM compared with an 11.5 billion DM deficit for the same period in 1981.

A spokesman for the West German Industrial and Trade Association said the figures were in line with expectations.

A statistics office spokesman said the current account surplus for April was revised to 500 million DM from the 200 million DM announced earlier. The April trade surplus was 3.44 billion DM.

In May, 1981, there was a current account deficit of 2.1 billion DM, the spokesman said.

The May, 1981, trade surplus was 1.54 billion DM, with total exports at 31.23 billion DM and imports of 29.69 billion DM.

Exports last month totaled 35.58 billion DM, down from 36.50 billion DM in April, and imports were 30.59 billion DM, down from 33.06 billion DM a month earlier, the spokesman added.

The action, which still has many important details to be worked out, including the date of implementation, was approved over the nearly unanimous opposition of

Fed Decreases to 2 Days the Lag For Banks' Reserve Accounting

(Compiled by Our Staff From Dispatches)

WASHINGTON — The Federal Reserve Board, in an attempt to improve short-term control of the money supply, has decided to eliminate most of the two-week lag between the time a financial institution receives a deposit and the time it must place a portion of it with the Fed as a reserve.

Some Reagan administration officials, including Treasury Secretary Donald T. Regan, have been pressing the Fed to shift from the present lagged reserve accounting approach to so-called contemporaneous reserve accounting. The officials and most monetarist economists maintain the switch will greatly improve the Fed's ability to hit its money supply targets on a month-to-month or quarter-to-quarter basis.

Mr. Regan, who called Monday's action "welcome news," has blamed the Fed's inability to control money growth month-by-month for causing the current recession.

At present, the institutions keep track of their deposits for each seven-day period ending on Wednesday. They are not required to set aside the reserves associated with those deposits until a comparable

seven-day period two weeks later. The proposal adopted Monday would lengthen from one week to two weeks the period in which deposits are counted. Each deposit period would end on Monday, and there would be only a two-day lag until Wednesday, before the associated reserve accounting period ended. Thus, most of the 14 days over which deposits and required reserves are averaged would overlap.

Eliminating the lag, at least in theory, will encourage the banking system to respond more quickly to the week-to-week actions by the Fed through which it seeks to regulate growth of the money supply by adding and subtracting reserves from the system.

Opponents and supporters of Monday's move expect greater volatility in the market for overnight federal funds.

H. Erich Heinemann of Morgan Stanley, a monetarist economist and a supporter of the Fed decision, said Tuesday: "In the very short-term market, the federal funds market, it will probably increase volatility. But if it is properly implemented, it will probably reduce volatility in long-term rates."

Could you have turned \$50,000 into \$2,086,890 in 23 years?

If you have U.S. \$50,000 or more to invest in U.S. common stocks, be sure to send for a free explanatory memorandum and other information on Tweedy, Browne N.V., Netherlands Antilles open end fund. The fund's investments are managed by Tweedy, Browne Inc., 67 Wall Street, New York, New York 10005, a registered U.S. investment adviser established in 1920. The firm and its predecessor have achieved average compounded rates of return of 17.8% annually for the past 23 years. Which means an initial investment of U.S. \$50,000 would have grown to \$2,086,890, net of any fees. In the last five years, an initial investment of U.S. \$50,000 would have grown to \$123,901 net of any fees—19.9% annual rate of return.

The fund managers follow a practice of seeking out U.S. stocks selling at least 50% below estimated value in a merger, acquisition or liquidation of assets. The fund is limited to investors who are not citizens or residents of the U.S.A. There is no sales charge to purchase fund shares. Just mail the coupon to Tweedy, Browne N.V., Herengracht 416, 1017 BZ Amsterdam, Netherlands, or telephone (010) 256522 for your free offering package.

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Tweedy, Browne N.V.
Herengracht 416
1017 BZ Amsterdam
Netherlands
Telephone: (010) 256522

Please forward information on Tweedy, Browne N.V. to

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ADDRESS _____
TELEPHONE _____

The Bankers Trust Company philosophy:

Excellence is achieved only through consistency and innovation.

And teamwork.

Excellence, in any endeavour, is based on superior performance, day in and day out. And continued success is achieved only when like-minded professionals combine their experience and ingenuity in such a manner as to set them apart.

It is an accomplishment which requires common purpose sparked with rare determination. A drive that provides the ability to perform consistently under pressure. Teamwork. These are parts of a real-life philosophy. A philosophy which yields handsome rewards.

Common purpose and teamwork: how they work for you.

A major construction and engineering firm recently worked with Bankers Trust to evaluate the advantages of refinancing part of its revolving bank credit in a special way. What they needed was a creative finance package that gave them the flexibility to gain access to a range of money markets at the most advantageous interest rates possible.

Working closely with our Corporate Financial Services professionals and our World Corporate bankers, Bankers Trust's Resources Management specialists structured and placed an issue of privately placed promissory notes.

Subsequently, the company appointed Bankers Trust as co-agent in its traditional commercial paper programme. The two financings, which totalled hundreds of millions of dollars, met the needs of a customer with unusually high standards.

Highly skilled people from Bankers Trust's worldwide service network were brought together to work as one, carefully guided by one of our experienced relationship managers. Someone who never forgets the awesome potential of people working diligently toward a common purpose. People inspired by the pursuit of excellence.

This is just one example of the kind of performance into which our philosophy translates. Performance which makes Bankers Trust stand out in our industry. And the kind of performance which helps make our clients first in theirs.



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Company**

Worldwide

An international banking network in
35 countries.

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Chicago Futures June 29

	Open	High	Low	Settle	Chg.
WHEAT					
Aug	12.54	12.54	12.51	12.54	+.04
Sep	12.54	12.51	12.49	12.51	+.03
Oct	12.54	12.51	12.49	12.51	+.03
Nov	12.54	12.51	12.49	12.51	+.03
Dec	12.54	12.51	12.49	12.51	+.03
Jan	12.54	12.51	12.49	12.51	+.03
Feb	12.54	12.51	12.49	12.51	+.03
Mar	12.54	12.51	12.49	12.51	+.03
Apr	12.54	12.51	12.49	12.51	+.03
May	12.54	12.51	12.49	12.51	+.03
Jun	12.54	12.51	12.49	12.51	+.03
Prev. sales 2,050,111 Prev. day's open int 42,201, off 1,254					
CORN					
Aug	12.57	12.54	12.51	12.54	-.04
Sep	12.57	12.54	12.51	12.54	-.04
Oct	12.57	12.54	12.51	12.54	-.04
Nov	12.57	12.54	12.51	12.54	-.04
Dec	12.57	12.54	12.51	12.54	-.04
Jan	12.57	12.54	12.51	12.54	-.04
Feb	12.57	12.54	12.51	12.54	-.04
Mar	12.57	12.54	12.51	12.54	-.04
Apr	12.57	12.54	12.51	12.54	-.04
May	12.57	12.54	12.51	12.54	-.04
Jun	12.57	12.54	12.51	12.54	-.04
Prev. sales 42,201 Prev. day's open int 111,473, off 1,053					
SOYBEAN MEAL					
Aug	12.57	12.54	12.51	12.54	-.04
Sep	12.57	12.54	12.51	12.54	-.04
Oct	12.57	12.54	12.51	12.54	-.04
Nov	12.57	12.54	12.51	12.54	-.04
Dec	12.57	12.54	12.51	12.54	-.04
Jan	12.57	12.54	12.51	12.54	-.04
Feb	12.57	12.54	12.51	12.54	-.04
Mar	12.57	12.54	12.51	12.54	-.04
Apr	12.57	12.54	12.51	12.54	-.04
May	12.57	12.54	12.51	12.54	-.04
Jun	12.57	12.54	12.51	12.54	-.04
Prev. sales 1,053 Prev. day's open int 75,591, off 1,374					
SOYBEAN OIL					
Aug	12.57	12.54	12.51	12.54	-.04
Sep	12.57	12.54	12.51	12.54	-.04
Oct	12.57	12.54	12.51	12.54	-.04
Nov	12.57	12.54	12.51	12.54	-.04
Dec	12.57	12.54	12.51	12.54	-.04
Jan	12.57	12.54	12.51	12.54	-.04
Feb	12.57	12.54	12.51	12.54	-.04
Mar	12.57	12.54	12.51	12.54	-.04
Apr	12.57	12.54	12.51	12.54	-.04
May	12.57	12.54	12.51	12.54	-.04
Jun	12.57	12.54	12.51	12.54	-.04
Prev. sales 1,053 Prev. day's open int 75,591, off 1,374					
CATTLE					
Aug	12.57	12.54	12.51	12.54	-.04
Sep	12.57	12.54	12.51	12.54	-.04
Oct	12.57	12.54	12.51	12.54	-.04
Nov	12.57	12.54	12.51	12.54	-.04
Dec	12.57	12.54	12.51	12.54	-.04
Jan	12.57	12.54	12.51	12.54	-.04
Feb	12.57	12.54	12.51	12.54	-.04
Mar	12.57	12.54	12.51	12.54	-.04
Apr	12.57	12.54	12.51	12.54	-.04
May	12.57	12.54	12.51	12.54	-.04
Jun	12.57	12.54	12.51	12.54	-.04
Prev. sales 1,053 Prev. day's open int 75,591, off 1,374					
FEEDER CATTLE					
Aug	12.57	12.54	12.51	12.54	-.04
Sep	12.57	12.54	12.51	12.54	-.04
Oct	12.57	12.54	12.51	12.54	-.04
Nov	12.57	12.54	12.51	12.54	-.04
Dec	12.57	12.54	12.51	12.54	-.04
Jan	12.57	12.54	12.51	12.54	-.04
Feb	12.57	12.54	12.51	12.54	-.04
Mar	12.57	12.54	12.51	12.54	-.04
Apr	12.57	12.54	12.51	12.54	-.04
May	12.57	12.54	12.51	12.54	-.04
Jun	12.57	12.54	12.51	12.54	-.04
Prev. sales 1,053 Prev. day's open int 75,591, off 1,374					
London Commodities June 29					
Flour in first per metric ton. Corn in U.S. dollars per metric ton.					
High	Low	Class	Previos		
SUGAR	11.50	11.45	11.40	11.45	+.05
Aug	11.50	11.45	11.40	11.45	+.05
Sep	11.50	11.45	11.40	11.45	+.05
Oct	11.50	11.45	11.40	11.45	+.05
Nov	11.50	11.45	11.40	11.45	+.05
Dec	11.50	11.45	11.40	11.45	+.05
Jan	11.50	11.45	11.40	11.45	+.05
Feb	11.50	11.45	11.40	11.45	+.05
Mar	11.50	11.45	11.40	11.45	+.05
Apr	11.50	11.45	11.40	11.45	+.05
May	11.50	11.45	11.40	11.45	+.05
Jun	11.50	11.45	11.40	11.45	+.05
Prev. sales 4,557 Prev. day's open int 30,956, off 179					
COTTON					
Aug	11.50	11.45	11.40	11.45	+.05
Sep	11.50	11.45	11.40	11.45	+.05
Oct	11.50	11.45	11.40	11.45	+.05
Nov	11.50	11.45	11.40	11.45	+.05
Dec	11.50	11.45	11.40	11.45	+.05
Jan	11.50	11.45	11.40	11.45	+.05
Feb	11.50	11.45	11.40	11.45	+.05
Mar	11.50	11.45	11.40	11.45	+.05
Apr	11.50	11.45	11.40	11.45	+.05
May	11.50	11.45	11.40	11.45	+.05
Jun	11.50	11.45	11.40	11.45	+.05
Prev. sales 1,427 Prev. day's open int 14,274, off 193					
HIDES AND SKINS					
Aug	11.50	11.45	11.40	11.45	+.05
Sep	11.50	11.45	11.40	11.45	+.05
Oct	11.50	11.45	11.40	11.45	+.05
Nov	11.50	11.45	11.40	11.45	+.05
Dec	11.50	11.45	11.40	11.45	+.05
Jan	11.50	11.45	11.40	11.45	+.05
Feb	11.50	11.45	11.40	11.45	+.05
Mar	11.50	11.45	11.40	11.45	+.05
Apr	11.50	11.45	11.40	11.45	+.05
May	11.50	11.45	11.40	11.45	+.05
Jun	11.50	11.45	11.40	11.45	+.05
Prev. sales 1,427 Prev. day's open int 14,274, off 193					
LAMBS					
Aug	11.50	11.45	11.40	11.45	+.05
Sep	11.50	11.45	11.40	11.45	+.05
Oct	11.50	11.45	11.40	11.45	+.05
Nov	11.50	11.45	11.40	11.45	+.05
Dec	1				

SPORTS

Poles Looking to Day of Independence on July 4th

Zbigniew Boniek, left, scoring the second of this three goals against Theo Custers and Belgium.

Italy Upsets Champion Argentina, 2-1

The Associated Press

BARCELONA — Marco Tardelli and Antonio Cabrini scored second-half goals as Italy upset defending champion Argentina, 2-1, Tuesday and moved within one victory of reaching the World Cup semifinals.

The 1978 champions, for whom captain Daniel Passarella scored with a late free kick, now need to defeat three-time champion Brazil — and hope that Brazil beats the

WORLD CUP SOCCER

Italians — in order to stand a chance of advancing on goal difference from the second round's Group C.

In Madrid, meanwhile, England and West Germany played to a scoreless tie in their Group B match Tuesday, greatly boosting Spain's chances of advancing from Group B to the semifinals.

Spain, which meets West Germany in its next match, now needs only one victory and a draw to reach the final four.

Italy absorbed persistent Argentine pressure during a rugged first half, in which five players were cautioned.

Rough Play

The rough play continued throughout, and Argentine midfielder Amerio Gallego was sent off with six minutes left to play after fouling Tardelli.

The Argentines, limited in attack and slow to cover, showed none of the guile that earned them the title four years ago. With Kempes and Ramon Diaz were off form, shooting wild and failing to create cohesive offensive movements.

The victory was Italy's first of the cup finals.

It also scored as many goals as it had in the previous three first-round outings, all of which ended in draws.

Other players booked by

Romanian referee Nicolo Raina were Rossi in the 15th minute, for dissent; Kempes in the 32d, for fouling Tardelli; Maradona in the 35th, for arguing for a run-in with Gentile; and Ardiles in the 38th, also for protesting.

slackened off early in the second period, the Italians took full advantage.

Tardelli opened the scoring in the 56th minute, blasting a pass from Giancarlo Antonioli past goalkeeper Ubaldo Fillol. The goal sent the Argentines into a furious attempt to equalize, and Italian goalie Dino Zoff, at 40 the oldest player in the tournament, made successive saves on Passarella and Daniel Bertoni.

But Paolo Rossi ran at the Argentine defense and forced Fillol to rush out and block his shot. The loose ball bounced to Bruno Conti, who raced to the goal-line before passing the ball back for defender Cabrini to put a left-footed bullet high into the net in the 68th minute.

Chaos

Gentile was booked in the 41st minute for one of several times he sent Maradona, the 21-year-old sensation, sprawling to the pitch. Maradona's inability to shake Gentile left the Argentine forward in chaos.

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Italian Coach Enzo Bearzot said he expected to play another one-on-one game against Brazil.

"We played with rigid man-to-man markings because that is our game," he said.

"But every time we moved out of our defense, we sought to develop an attack and we created danger."

"It was a tough game, but we played the right tactics."

I put Gentile on Maradona because, had I played Tardelli in mid-field, we would have a hole at mid-field and our game would have been too defensive, giving up our scoring chances," the coach said.

"Now that we have started scoring we are collecting the results of our work," Bearzot said. "Perhaps the fact we had to play such tough matches previously has given us the stamina to come out and beat Argentina in the second half."

Shocked

Argentine coach Cesar Luis Menotti said he was shocked. "I expected to win. I surely was not thinking before the game that we could lose," he said.

"We played a good match but we were caught in the 'no-play' of the Italian team. Before scoring the first goal they never put our feet in danger."

Menotti criticized the referee, complaining he was too soft on Gentile.

"The rules say if a player fouls another player regularly, he must be cautioned and then sent off," Menotti said. "Maradona suffered at least 20 fouls."

West German striker Karl-Heinz Rummenigge came close to setting a drah, slow-motion game when, with four minutes remain-

International Herald Tribune
BARCELONA — Any American who gives a damn about this round-ball game faces a dilemma on the Fourth of July. Whatever

ROB HUGHES

his Independence Day celebration, the Eastern bloc has arranged a humdinger of a soccer match he should not miss.

Sunday night in Barcelona will

bring the first major confrontation between Russian and Polish players since their freedom last winter. And apart from the political overtones, it promises to be a match of high quality.

Both the Soviet Union and Poland are in tremendous form in this World Cup, and when Zbigniew Boniek scored a memorable hat trick to beat Belgium, 3-0, Monday night it proved just how

capable Poland is of preventing the Soviet march to the semifinals. Sunday's will be a meeting Russia had clearly hoped to avoid.

When the rigged draw for these finals took place, the Soviet Union did not object to being omitted from the seedings despite a worldwide record of 23 games without defeat. It did not object because the seeding plan appeared to give it the best chance of avoiding such politically embarrassing meetings

against suppressed little-brother nations.

So now the marvelous uncertainty that still pervades this competition almost as if fate decreed it.

Boniek's goals were spectacular and surprising in that he has hitherto been more a creator than finisher. And after the match he explained that for one financial reward was the last thing in his mind: "In this game," he said, "I didn't even think about my contract with [his Italian club] Juventus. I played for Poland."

He played as a man inspired.

If he does the same on Sunday, even Alexander Chavaz, the masterly Soviet sweeper, will be stretched to the limit. So too will the Russian fullbacks if Grzegorz Lato is in the same sprightly shape. Lato, 32, pieced back the years to display the wing's skills that had made him a world-renowned figure in the early '70s.

Five-foot Johan Kriek of

South Africa needed four sets to

defend champion Peter Remen, 4-6, 6-3, 6-4, 6-1; No. 6 Gene Mayer advanced with a 7-6, 6-3, 6-0 victory over fellow American Larry Stefanski and seventh-seeded Mats Wilander of Sweden sent Czech Stanislaw Birner packing, 3-6, 6-4, 6-4.

No. 12 Mark Edmondson of

Australia defeated Ramesh Krishnan of India, 6-3, 6-1, 6-1; No. 14 Roscoe Tanner got by Vijay Amritraj of India, 6-4, 6-4, 6-3; 15th-seeded Buster Mottram of West Germany, 6-4, 6-7, 6-3.

No. 13 seed Anne Smith of

Great Britain's hopes alive with a 6-1, 6-2, 6-2 decision over Australian Chris Johnstone and No. 16 Steve Denton completed a match begun Monday by outlasting South Africa's Schalk van der Merwe, 6-7, 7-

5, 3-6, 6-4, 6-2.

The rest of the surviving seeds

joined defending champion John McEnroe, No. 2 Jimmy Connors and Australian Paul McNamee as winners on Monday — in the fourth round with varying degrees of difficulty.

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5, 3-6, 6-4, 6-2.

The match was suspended at

two sets each and 10-10 in the final set Monday because of darkness. After it was completed, Denton remained to play his next match against New Zealander Chris Lewis, which followed immediately.

Navratilova nearly overlooked

Garrison, last year's Wimbledon and U.S. Open junior girls champion and a surprise quarterfinalist at the French Open. The youngster won the back service in the third game to take a 3-1 advantage. But Navratilova ripped off the next five games including breaks in the sixth and eighth games, to capture the set.

Jaeger, plagued by recent inju-

ries, faced three break points at

love-40 while serving to save the

match in the eighth game of the

second set. She staved off two

break points with backhand vol-

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Jaeger, plagued by recent inju-

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